COAST GUARD BUDGET, FISCAL YEAR 1990

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND NAVIGATION

OF THE

COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

THE COAST GUARD'S BUDGET REQUEST FOR FISCAL YEAR 1990, THE BRIDGE ADMINISTRATION TRANSFER ACT, AND OTHER ADMINISTRATIVE INITIATIVES

MARCH 9, 1989

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CONTENTS

	Page
Hearing held March 9, 1989	1
Statement of:	
Bentley, Hon. Helen Delich, a U.S. Representative from Maryland	5
Clement, Hon. Bob, a U.S. Representative from Tennessee	7
Coble, Hon Howard, a U.S. Representative from North Carolina	7
Davis, Hon. Robert W., a U.S. Representative from Michigan	3
Hughes, Hon. William J., a U.S. Representative from New Jersey	9
Innis, Larry R., Washington Representative, Marine Retailers Association of America (prepared statement)	84
Jones, Hon. Walter B., a U.S. Representative from North Carolina	5
Lowey, Hon. Nita M., a U.S. Representative from New York	8
Lusk, Vice Admiral Clyde T., Jr., Vice Commandant, United States Coast Guard	10
McKinney, Sergeant Major C.A., USMC (Ret.), Legislative Counsel, Non Commissioned Officers Association of the United States of America (prepared statement)	88
Spade, Captain J. David, Chief, Budget Division, U.S. Coast Guard	10
Stewart, George W., Jr., Director, Government Affairs, National Association of State Boating Law Administrators (prepared statement)	73
Tauzin, Hon. Billy, a U.S. Representative from Louisiana, and Chairman, Subcommittee on Coast Guard and Navigation	1
Thompson, Captain Kenneth W., Chief, Programs Division, U.S. Coast Guard	10
Yost, Admiral Paul A., Jr., Commandant, United States Coast Guard	10
Prepared statement	52
Young, Hon. Don, a U.S. Representative from Alaska	4
Additional material supplied:	
Coast Guard:	
Appointment of committee members	29
Bridge administration transfer	25
Currently authorized fees	35
Fishing Vessel Safety Advisory Committee	20
Sport Fish Restoration Program	24
Subcommittee Staff: Memorandum of March 2, 1989, to Members, Subcommittee on Coast Guard and Navigation	42
Clement, Hon. Bob, article from The Tennessean entitled "Waging unending war against the drug lords"	93
Communications submitted:	
Innis, Larry R. (Marine Retailers Association of America): Letter of April 18, 1989, to Hon. Billy Tauzin	83
Stewart, George W., Jr. (Nat. Assn. of State Boating Law Admtrs.): Letter of April 12, 1989, to Hon. W.J. Tauzin	81

COAST GUARD BUDGET, FISCAL YEAR 1990

THURSDAY, MARCH 9, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:08 a.m., in Room 1334, Longworth House Office Building, the Honorable Billy Tauzin, Chairman, presiding.

Members present: Representatives Tauzin, Studds, Hughes, Hutto, Carper, Ortiz, Brennan, Clement, Lowey, Jones (ex officio), Pallone, Young, Bateman, Bentley, Coble, Inhofe, and Goss.

Staff present: Roy Willis, Cornel Martin, Sue Stilley, Marsha Canter, Bill Wright, Cyndy Wilkinson, Joe Coccia, Duncan Smith, George Pence, Sue Waldron, Kurt Oxley, Sherry Steele, Rebecca Dye, Greg Lambert, and Ed Welch.

Mr. TAUZIN. The hearing will please come to order.

OPENING STATEMENT OF HON. BILLY TAUZIN, A U.S. REPRESENTATIVE FROM LOUISIANA, AND CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

Mr. TAUZIN. First, I want to welcome my colleagues to this hearing, the first meeting of the Coast Guard Navigation Subcommittee of the 101st Congress. During this Congress we share an important responsibility, that of assuring that the Coast Guard is capable of carrying out its missions as Congress has defined them.

I also extend a warm welcome to our only witness today, Admiral Paul A. Yost, Jr., Commandant of the United States Coast Guard. Admiral Yost and I go back a good way. When I was first elected to Congress, he was then Commander of the 8th Coast Guard District, headquartered in New Orleans. I consider him a dear friend; an able leader. Admiral, I look forward to continuing our good work together.

And today we examine the Coast Guard's budget request for fiscal year 1990, as well as the Bridge Administration Transfer Act, and other administrative initiatives which the Coast Guard has asked to be included in the authorization bill.

Although we have not received the draft authorization legislation from the Bush Administration, the bill is not expected to differ greatly from the budget request submitted by the Reagan Administration last year. That request included $180 million in new taxes on recreational and commercial boaters under the euphemism "user fees."

The fiscal year 1990 request is for nearly $3.5 billion which is an increase of about $350 million from fiscal year 1989 appropriations.

While this increase may seem generous, it is a bit deceiving. Most of the increase, about $244 million, is for the acquisition of a single ship, a new polar class icebreaker.

The second largest part of the increase, $119 million, is for operating expenses. But much of that increase is needed to maintain the existing personnel and to crew and operate previously acquired facilities and ships.

The Administration's budget request continues funding, albeit at a snail's pace, for a much-needed shipbuilding program. The overwhelming share of the new construction funds go to the Nation's icebreaker needs. Although studies show that we need at least four polar icebreakers, this acquisition would bring us to only three.

Additional funds are requested to continue the fleet rehabilitation and modernization program for the 378-foot heavy endurance cutters, replacement programs for the 44-foot motor lifeboats and the oceangoing buoy tenders, major renovation of the 210-foot medium endurance cutters, and service life extensions for the existing 180-foot buoy tenders as well as other minor projects.

Yet when it comes to the size and scope of the proposed shipbuilding program, this member has serious doubts whether we are doing enough, quickly enough, to avoid having to send the Coast Guard to rescue the Coast Guard on some future day.

For instance, the budget request fails altogether to address the imminent patrol boat shortage which will grow to nearly 30 percent by the mid-1990's. The shortage comes at a time when the Administration and the Congress are calling for the expansion of patrols in the area of drug and alien interdiction, greater fisheries enforcement, and ever-expanding environmental enforcement, and at a time when we are having, of course, difficulty maintaining reliable search-and-rescue capabilities.

Turning to the aviation assets, we have a serious engine problem with our short-range recovery helicopters which are essential to the search-and-rescue mission. We are also having problems with other Coast Guard aircraft, especially those involved in the war on drugs. Meanwhile, our shoreside facilities need repair, expansion, and improvements.

Yet despite our problems and needs on the land, on the air and the sea, the Nation has the best Coast Guard service in the world.

The men and women of the U.S. Coast Guard are to be commended for accomplishing so much with so little. They deliver more "bang for the buck" than probably any other agency of this Government; but frankly, it is not enough to hear how much has been done, and will be done, with so little.

Our job is not to tell the Coast Guard you have so much or less money than last year; now go and decide how it will be spent. We have to participate in some tough choices, to say where and how much of a sacrifice, if any, will be made.

And at the same time, because of the life-and-death consequences of many Coast Guard missions, it is our duty to inform the Nation what will not be done, and what risks will arise because the Coast Guard does not have all the money it really needs.

We begin that process here. We begin that process now.

Mr. TAUZIN. We will now open the floor for additional opening statements, and at this time it is customary to recognize the Ranking Minority Member of the subcommittee. Much to our regret, our Ranking Member, Bob Davis, has been unable to attend this hearing today. He has a written statement, and questions, which without objection will be made a part of the record.

[The statement of Mr. Davis follows:]

STATEMENT OF HON. ROBERT W. DAVIS, A U.S. REPRESENTATIVE FROM MICHIGAN

Thank you, Mr. Chairman. I would like to say it is a pleasure to address you with that title as our new Chairman of the Coast Guard and Navigation Subcommittee. I look forward to working with you on a committee that has traditionally set the example for bipartisan cooperation between the staff and Members.

Over the past several years, the responsibilities of this subcommittee as the authorizing and oversight committee for the United States Coast Guard have expanded as rapidly as have the many missions of the Coast Guard. The restrictions of the budget deficit have made the decisions on specific operations and expenditures by each agency increasingly critical. At a time when every other agency, including the Department of Defense, is experiencing a budget increase of only 2 percent or less, a total increase of 11 percent for the Coast Guard (with 4 percent being added for overall operation and the remaining 7 percent for purchase of a new polar icebreaker is just incredible. Regardless of the soundness of the arguments for each expenditure—which I support—we must deal with reality. We must be realistic in our expectations of what the Coast Guard is capable of accomplishing with the available funds and resources.

The emphasis on the drug interdiction effort has placed a severe strain upon many agencies, but upon the Coast Guard in particular. Although it is admirable for the Coast Guard to be in the vanguard of the war on drugs, it may be foolish to blithely request additional tasks that carry it far beyond its normal areas of operation.

Language in last Congress' omnibus drug legislation has prohibited the Coast Guard from extending its participation in drug interdiction beyond that which is specifically funded. That language was not accidental. We have seen a continual flow of Coast Guard resources from throughout the United States into the Southeastern part of the country and from there into the Caribbean. I do not question the need in these areas. However, as the Coast Guard has extended its line further and further from shore, requiring more and more people and equipment to close the gaps, we see stations and missions elsewhere in the United States dying from neglect. Or worse, they are closed because more money is being funneled into drug interdiction than into the Coast Guard's traditional missions. These stations are not expendable simply because they make fewer drug busts. A passenger aboard a sinking vessel in the North Atlantic, the Bering Sea, or the Great Lakes, cares little about the statistics on drug seizures when a strategically placed station has been closed. The fisherman who sees his stocks being raided and depleted by foreign operators must feel deserted by his government when overflights and patrols of fisheries have been reduced or are nonexistent. Further closures of stations to support this "drug habit" will be met with great resistance. The omnibus drug bill recognized the need for balance. That is, increase drug interdiction, but not at the expense of other missions. In fact, the drug bill requires no new or additional expenditures if traditional roles must be reduced. This, however, has not been needed in putting together this Coast Guard budget. We see more and more spent on drugs, while less and less is directed to other mission areas. If DOD and all their assets are becoming more involved, perhaps the Coast Guard can take a break and make sure search and rescue and other missions are solidly funded before expanding more into the drug effort.

I am looking forward to working with the Chairman and the Coast Guard on these budgetary matters. In addition, I have introduced several bills which address other concerns and are designed to enhance the environmental protection, military readiness, polar icebreaking, law enforcement, and boating safety missions of the Coast Guard. This package of legislation would also increase the internal effectiveness of the Coast Guard by reorganizing and consolidating the Federal maritime programs, including the Coast Guard, in the Department of Transportation and by providing certain technical personnel management changes to streamline Coast Guard personnel practices. Finally, one of the bills I am introducing establishes a definition of "United States vessel" for the United States Code, and makes other

technical changes in the Code to conform existing statutory language to the new definition.

Thank you, Mr. Chairman.

Mr. TAUZIN. In his absence, I would like to recognize, and I am pleased to do so, the distinguished gentleman from Alaska, Don Young, for a statement on behalf of the Minority. Mr. Young.

OPENING STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA

Mr. YOUNG. Thank you, Mr. Chairman, and I am sure the rankest member is here.

Mr. TAUZIN. You are not going to hear an argument.

[Laughter.]

Mr. YOUNG. Mr. Chairman, I will echo your statements. This morning, the Commandant will give us a description of the Coast Guard's financial needs for the next fiscal year. The President requested approximately $3.5 billion in budget authority for fiscal year 1990. This represents a $360 million increase over fiscal year 1989. Unfortunately, only about one-third of the increase will actually go to operating expenses. The rest will go to purchase of a new icebreaker and new systems for drug interdiction.

Mr. Chairman, I am going to have some questions for Admiral Yost concerning the icebreaker, and being from Alaska, you would think I would be very excited about an icebreaker. But at the cost of other missions that we have charged the Coast Guard, I hope we will really look at the necessity for an icebreaker.

I have done some research on this myself, and there is indication that although we may build an icebreaker, the use of the icebreaker in the polar region would not be necessary, there are other icebreakers available, but, we will discuss that at a later date.

Mr. Chairman, I am very concerned that even if the Coast Guard receives the full funding request contained in the President's budget, that those Coast Guard functions which are critical to Alaska—and I am speaking specifically of Alaska—namely search and rescue, and fisheries enforcement, and environmental clean-up, will continue to receive a low priority in the Coast Guard's budget.

My concern, that these areas will be easy targets for reprogramming in the unfortunate event that the Coast Guard does not receive its full funding request or some sort of emergency funding may be needed elsewhere.

Let me say in the strongest terms, that I will support, as always, full funding for the Coast Guard operations this year. With 46 percent of the Nation's coastline in Alaska, I need no encouragement to be a strong supporter for the Coast Guard, as I have been in the past.

I will say, however, that recent trends have been to force the Coast Guard into expanded mission areas without corresponding funding increases. This committee has a responsibility to convince the Budget Committee, Appropriations Committee, that not only full funding but additional fundings will be made available.

This has severely hurt the seafaring people of my State and I am very, very concerned. I will say the Coast Guard has done an excellent job with limited funds in the State of Alaska, but I will work with this committee, and with the Chairman, to make sure of full

funding. This is one agency that must be funded to fulfill its capability. I look forward to the Admiral's testimony today.

Mr. YOUNG. And, Mr. Chairman, at this time I would like to submit a statement for the Honorable Helen Bentley in her full context.

Mr. TAUZIN. That statement will be a part of the record, without objection.

[The statement of Mrs. Bentley follows:]

STATEMENT OF HON. HELEN DELICH BENTLEY, A U.S. REPRESENTATIVE FROM MARYLAND

Thank you Mr. Chairman and thank you, Mr. Davis, for calling this hearing today to review the FY 1990 budget for the United States Coast Guard.

My interest in maintaining an adequate Coast Guard pre-dates my entry into the Congress. I have always viewed the Coast Guard as one of the more important federal agencies, from the viewpoint of our coastal defenses, law enforcement and environmental law activities, as well as maintaining our waterways for the safe passage of international commerce and recreational boaters.

The role of the Coast Guard is multi-facet, as is evident in the budget under consideration before us today.

It is refreshing and somewhat reassuring to learn that the new Administration is taking a positive funding posture with respect to the Coast Guard.

We apparently won't have to go through the agonizing process of last year to restore funds to a seriously restricted Coast GUard budget, which forced the agency to close facilities and curtail vital life-saving and law enforcement missions.

Mr. Chairman, I fully support the Coast Guard's budget and its initiatives.

In reviewing the Coast Guard's budget proposal, I am particularly delighted to see provisions calling for the construction or build and charter of a polar icebreaker and for various improvements to the Coast Guard's aging fleet.

With regard to the polar icebreaker program, I am anxious to hear assurances from Admiral Yost that the construction of such a vessel will be performed within the United States, and that the appropriate "Buy America" provisions will be implemented and fully enforced.

Mr. Chairman, I have worked closely with Admiral Yost during the past several years, and I have admired his ability to oversee the operations of a Coast Guard with multiple missions, with not only limited resources, but with shrinking resources.

Admiral Yost has conducted himself in an exemplary manner and has performed a great service to his country. I look forward to hearing his testimony today.

Thank you, Mr. Chairman.

Mr. TAUZIN. Mr. Young, we are pleased to note that you did not make an argument whether Alaskan whales ought to be deaf or dead.

Mr. YOUNG. Mr. Chairman, I will say, those two whales are right on the verge of costing this committee and the Coast Guard $300 million, and that is the reason I am very, very concerned about the desire for an icebreaker, if it is at the cost of other programs, and at this time I think the other programs are of much and greater value than those two whales were, and have been, and will be possibly in the future.

Mr. TAUZIN. The gentleman makes a strong point.

We are also pleased to welcome at this time the Chairman of our full committee who also has a statement that he would like to give, and it is my extreme pleasure to introduce and welcome Chairman Walter Jones. Mr. Jones.

OPENING STATEMENT OF HON. WALTER B. JONES, A U.S. REPRESENTATIVE FROM NORTH CAROLINA

Mr. JONES. Thank you, Mr. Chairman.

As this committee begins its review and evaluation of the Administration's fiscal year 1990 budget request for the Coast Guard, I am again struck by the very frugal character of the request.

Yet, historically, the Coast Guard has been asked to do much with little. No matter what Congress gives them, no matter how tough their mission, they do the job. This "can do" spirit was vividly demonstrated in a recent heroic rescue by a Coast Guard petty officer off the coast of Oregon.

On January 3rd, a Coast Guard helicopter answered an emergency call from a downed Oregon National Guard jet. At the scene, there were 16-foot swells, fierce winds, and freezing temperatures.

Petty Officer Kelly Mogk, an 104-pound woman, was lowered from the helicopter to save the severely injured 200-pound pilot.

He was barely conscious, and his shoulder and both legs were broken. As if that was not enough, he was tangled in his parachute and clinging to the outside of his life raft.

After repeatedly diving into the frigid waters, Petty Officer Mogk succeeded in setting the pilot free. He was then hoisted into the helicopter and flown to a hospital.

Because of the helicopter's weight limitations, Petty Officer Mogk was left in the water to wait for another helicopter. I tell this story not just because of the courage and fortitude of that young woman, but because, on a broader level, it symbolizes what the Coast Guard is all about.

For quite some time, now, we have imposed upon the Coast Guard new burdens and responsibilities, and have provided only a fraction of the funds needed to properly perform the job.

Most recently, we have enhanced their drug interdiction duties with only minimal increases in funding. The President, recognizing the importance of the Coast Guard's role in the drug war, has requested an additional $10 million over what the previous Administration had requested. Even with these additional funds, I am concerned that the very difficult drug mission is still underfunded.

While recognizing the monumental importance of stopping drugs before they hit our shores, the Coast Guard has other jobs to do. I am afraid that these crucial and more traditional Coast Guard missions are being neglected. This shortfall exists not only in the operating expenses end of the budget, but also in acquisition, construction, and improvement.

Regardless of the mission, the Coast Guard needs the equipment to do their work today, next year, and the next. In view of the budgetary constraints that confront us, one thing is sure. We must prioritize and must plan for the future.

In closing, I would like to comment on the user fee proposal contained in the Administration's request. In the past, this committee has been reluctant to impose user fees except in very limited and specific instances. I expect our position will not change.

I look forward to hearing your testimony, Admiral Yost, and welcome the opportunity to work with you again. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Chairman. The floor is now open for additional statements. The gentleman from North Carolina.

OPENING STATEMENT OF HON. HOWARD COBLE, A U.S. REPRESENTATIVE FROM NORTH CAROLINA

Mr. COBLE. Thank you, Mr. Chairman. I will be brief. I have a Judiciary Committee meeting that is going on now, Mr. Chairman, so I may have to play musical chairs.

Admiral, it is always good to have you and your fellow officers here. As the Chairman pointed out, we have a longstanding, harmonious relationship with you all.

I want to direct a word to my good friend from Alaska, if he would look over this way. Mr. Young, rarely do you and I disagree, and I do not want to be taken behind the woodshed by Mr. Young, but I am willing to make that trip behind the woodshed as far as the polar icebreaker situation is concerned. I feel very subjectively, and very strongly about this.

Admiral, as you know, I am an alumnus of the Wind Class cutter, and by that admission I am admitting my advancing chronological stage, but I feel strongly about it. Not only do we need one additional polar icebreaker; I think we need two.

And Mr. Chairman, you know, and Chairman Jones knows, that there is no member of this Congress any more tight-fisted fiscally than I am. But when it comes to this issue, I will dig in my heels very firmly, and I look forward to hearing what you have to say about that, Admiral. Thank you all for being here. Thank you, Mr. Chairman.

Mr. TAUZIN. I thank the gentleman for his comments.

Any other opening statements? The gentleman from Tennessee.

STATEMENT OF HON. BOB CLEMENT, A U.S. REPRESENTATIVE IN FROM TENNESSEE

Mr. CLEMENT. Mr. Chairman, my Subcommittee colleagues, Commandant Yost, Vice Admiral Lusk, I am pleased to join you this morning at the first subcommittee hearing of the year, and first subcommittee hearing chaired by our new Chairman, my friend, and a distinguished colleague, Congressman Tauzin.

Commandant Yost, I know you and your fellow Coast Guardsmen and women are especially proud of the high visibility role your organization has played in serving our Nation.

From coastal defense to search and rescue, to law enforcement, including drug interdiction, the Coast Guard's multi-mission role poses great challenges to, as well as great excitement for the men and women of your organization.

Recently, I had the pleasure of visiting with some Coast Guard officers and enlisted personnel while touring Coast Guard bases and facilities in South Florida, Puerto Rico, and the Virgin Islands.

I am very impressed with the dedication, skill, and courage of these men and women, perhaps no better exemplified than by Lieutenant Al Bernard, commanding officer of the Coast Guard cutter Nantucket, and his crew. Lieutenant Bernard and his crew exhibited the many fine qualities which the citizens of our Nation desire and deserve in the uniformed men and women of our military services. I firmly believe that we here, in Congress, and you, as Commandant, must work to assure that Lieutenant Bernard, his crew, and the thousands of other fine Coast Guard men and women have

the resources they need to complete their mission, and carry out their assignment.

The task ahead for you and the Congress is great, and I look forward to working with my committee colleagues in meeting our responsibilities.

Commandant, I know you will work hard to meet your responsibilities.

Mr. Chairman, I ask unanimous consent that a recent article summarizing my trip to see the Coast Guard's operations in Florida, and the Caribbean, be included at this point in the record. Thank you, Mr. Chairman.

Mr. TAUZIN. Without objection, it will be included.

[The information of Mr. Clement can be found at the end of the hearing.]

Mr. TAUZIN. Any other opening statements? The gentlelady from New York.

OPENING STATEMENT OF HON. NITA M. LOWEY, A U.S. REPRESENTATIVE FROM NEW YORK

Mrs. LOWEY. Thank you very much, Mr. Chairman, and Commandant Yost, I am especially enthused about being a member of the subcommittee. As you know, my husband was in the Coast Guard, and I am a strong believer—and I hear it every day—in the work that the Coast Guard does.

I am pleased to see the Administration allocating 10 million additional dollars to the Coast Guard's interdiction efforts, but I am not confident that the increase will do much more than provide for fuel and operational expenses to maintain the fleet.

I am very concerned that even with the addition of 37 new patrol boats purchased with Department of Defense dollars, the patrol boat fleet will be severely lacking throughout the 1990's. Without up-to-date equipment we cannot expect the Coast Guard to defeat drug lords, and that is what we really want them to get out there and do, in addition to their environmental responsibilities, with these limited resources.

The urgency of the battle against drugs is unquestioned, and I wholeheartedly support the efforts to stop drugs before they get to American shores, but, at the same time, I fully realize that the Coast Guard needs to fulfill its traditional duties, such as search-and-rescue operations, and enforcing environmental laws.

The importance of its mission cannot be overestimated, and as the front-line defense in the war against drugs, in performing search-and-rescue operations, as the enforcement arm of environmental laws, and all its important responsibilities, the Coast Guard plays a critical role in securing our coastal borders, and I fully support providing all necessary funding to allow the Coast Guard to fulfill all its duties. I look forward to working with you.

Thank you very much.

Mr. TAUZIN. I thank the gentlelady. Any additional opening statements? The gentleman from New Jersey.

OPENING STATEMENT OF HON. WILLIAM J. HUGHES, A U.S. REPRESENTATIVE FROM NEW JERSEY

Mr. HUGHES. Yes, Mr. Chairman, I thank you, and first, I want to congratulate you on assuming this chairmanship, and assure you that I look forward to working with you this year in trying to sort out what the Coast Guard should legitimately be doing as part of its mission, and separating those functions that are not essential for Coast Guard, and trying to find the funds for the Coast Guard for those programs that need to be carried out.

I want to welcome Admiral Yost, once again, and his colleagues. I, too, look forward to working with you, Mr. Chairman, and the Ranking Minority Member, in seeing that we do ensure full funding for the Coast Guard. It is a "can do" agency that always manages to do the best it can with the resources it has.

We probably get more "bangs for the buck" by this agency than most of Government.

I am concerned, Mr. Chairman, that this committee has always done a pretty stellar job of seeing that the Coast Guard authorization is adequate to the Coast Guard's needs.

What we need to do, I think in this Congress, is begin to work with the Appropriations Committee, which is where we have had problems in the past. And we ought to do that now. We ought to begin working—and you know the members that I am talking about as well as I do—to assure that the Coast Guard is accorded the kind of priority that we all believe it should be accorded.

It is one thing for us to authorize the funds; it is another thing to see that the funds are appropriated. And that is going to be, I think our job, this year. We have not done too well in the years past, and let's see if we cannot begin this year by beginning the work with our colleagues on the Appropriations Committee, to see that our hopes and intent is carried out.

So I look forward to working with you, Mr. Chairman. I have the same problem as my colleague, Mr. Coble. I have got to go to a Judiciary Committee meeting very shortly, but I look forward to, once again, serving on this subcommittee.

Mr. TAUZIN. I thank the gentleman very much. I also want to recognize the presence and membership of a former Chairman of this very same committee, Mr. Studds of Massachusetts, and would welcome him to this committee meeting.

Mr. STUDDS. Well, Mr. Chairman, were it not for the fact that I think we ought to allow at least two minutes to Admiral Yost, I would say something other than what should be said, which is congratulations, and it is a pleasure to serve with your chairmanship and your leadership, and I am sure the budget problems which have festered for so long in the Coast Guard will be resolved in a matter of hours.

[Laughter.]

Mr. STUDDS. And we are delighted to be here. Happy sailing.

Mr. TAUZIN. Glad to have you here. Thank you, sir.

We also want to point out that in front of every Member is a Coast Guard briefing book that has been prepared by the staff, and I want to thank Roy. And the Coast Guard, by the way. I want to

thank Sherry and Roy, and the entire staff for the work they have done on it.

If you will notice, in the book there is a description not only of the major Coast Guard missions, and its operations, but a specific outline of the equipment and facilities that are attached to the locale of each Member's district, to better inform you of the operations of the Guard in your own area.

If you have additional requests for information regarding those operations, we would ask that you forward those to the staff.

Admiral Yost, we are pleased to welcome you here today, and as the former Chairman said, we have reserved as much time as we can. In fact you have the rest of the day, sir, to present your case, and we are pleased to hear from you and the colleagues you have brought with you. I understand you have some special guests here. Perhaps, Admiral, you would like to introduce them at this time.

STATEMENT OF ADMIRAL PAUL A. YOST, JR., COMMANDANT, UNITED STATES COAST GUARD, WASHINGTON, D.C.; ACCOMPANIED BY VICE ADMIRAL CLYDE T. LUSK, JR., VICE COMMANDANT; CAPTAIN KENNETH W. THOMPSON, CHIEF, PROGRAMS DIVISION; CAPTAIN J. DAVID SPADE, CHIEF, BUDGET DIVISION

Admiral YOST. Mr. Chairman, let me do that. First, let me thank you very much and wish you good morning, and also thank the Chairman of our Full Committee, Congressman Jones, for being here, and Congressman Young, Ranking, for being here, our previous Chairman, Congressman Studds, and one of the few Coast Guard officers left in this Congress, Congressman Howard Coble, for being here. Thank you very much.

I am pleased to be with you and the other distinguished Members of this subcommittee to review and discuss the Coast Guard's fiscal year 1990 budget.

Accompanying me today are my Vice Commandant, Vice Admiral Clyde Lusk, on my far right; Chief of my Programs Division, Captain Ken Thompson, on my immediate right; and Chief of the Budget Division, Captain Dave Spade, on my immediate left.

Also, I am pleased this morning that we have eight cadets from the United States Coast Guard Academy. The 1st Classmen and 2nd Classmen, seven men and one woman, are studying political science. They are under the leadership of Lieutenant Commander Joe Egan. I wonder if they would all stand up.

Mr. TAUZIN. We might give them a hand.

[Applause.]

Mr. TAUZIN. Admiral, we hope the cadets' experience here today will not in any way dampen their enthusiasm for the profession they have chosen.

[Laughter.]

Admiral YOST. I think that it certainly shows their wisdom, that they are here, sir, studying political science, when they could be other places, including the Floor of the Senate, watching things other than science, and so I am delighted that they are here.

[Laughter.]

Admiral YOST. Congratulations to you, Mr. Chairman, on your assignment as Chairman of the Coast Guard and Navigation Sub-

committee. Having known you for many years, I am not surprised by the enthusiasm and the energy with which you have assumed the chairmanship of this subcommittee.

I am most encouraged by what you said about our Coast Guard in the recent newspaper interviews and radio commentaries.

You have a deep understanding of our service, and the vital contributions we make to this Nation. Your continued dynamic and outspoken leadership, as well as that of the other Members of this Subcommittee, is essential, if we are to continue to ably serve this Nation. In that regard, I certainly want to associate myself with the remarks of Congressman Hughes regarding the authorization and appropriations process.

As we begin our 200th year of service, our missions have never been more important. For 200 years, we have applied, and we will continue to apply, our basic multi-mission expertise to changing national priorities. Our peace-time missions also give us the expertise, assets, and command-and-control structure essential to the critical role our forces play in the Nation's war plans.

Our request funds only the essential resources we need to meet our responsibilities in the four major mission areas of marine safety, environmental protection, maritime law enforcement, and defense readiness.

Our operating expenses appropriation request funds existing levels of service, except for the absorption of a significant portion of the 1989 pay raise, plus a very modest amount for upgrades and follow-on operations of new hardware that Congress has funded in recent years.

Our Acquisition, Construction, and Improvement appropriations request provides a program level that we need to sustain our capital plant. Our Reserve Training appropriation continues to fund our plan for phased growth of the selected reserve, to meet 95 percent of our war-time reserve mobilization requirements by September 1998.

Budget Slide

Now I would like to take a few minutes to show you some visual aids which help explain our budget request.

[The slides can be found at the end of the hearing.]

The first slide (slide one) shows a very average day in the United States Coast Guard's life. As you can see, on this average day, the Coast Guard saves 16 lives and does a number of other things that are listed there, and does it all for about $8.5 million.

The next slide (slide two) shows that in recent years, the Coast Guard operating expense appropriation has been funded from different sources. In 1990, we propose that all the funds we need be appropriated in the Coast Guard appropriation.

In fiscal 1989 our Operating Expense program level funding is $2.122 billion. Our fiscal year 1990 program level request is $2.252 billion which is an increase of $130 million. I will discuss this $130 million incremental increase in more detail in my next slide. Let me have the next slide, please (slide three).

This graph categorizes our $130 million request for additional money above last year's enacted level, after annualizing the DOD and the Anti-Drug Abuse Act funding we are receiving in 1989.

You see that $50 million of that is built-in changes which we have no control over. Pay raises, entitlements, rent increases—those kinds of things. That is the green.

$40 million is for operating new or upgraded capital assets which have been acquired over the last year—new patrol boats, new E-2C aircraft, and the 378s as they come out of FRAM. That is the red.

$40 million is for maintenance requirements, minor improvements to enhance the capabilities of our operating units, and some badly needed and long-delayed people programs. That is in the yellow. Now let me have the next slide (slide four).

This slide shows our AC&I appropriation history. We have been saying for years that the Coast Guard needs, on an average, between $500 million and $600 million per year to support a regular replacement and renovation program for our capital assets which are valued at about $16 billion.

This is only 3.5 percent of the $16 billion plant, and I think anybody in Economics 101 would tell you that you really need something more than 3.5 percent, more like 5 percent, of a capital plant renewal each year. So this 3.5 percent is at the very low end.

For 7 of the past 8 years Congress has supplemented capital funding for the Coast Guard from other sources, primarily Department of Defense. These additional funds have been essential to us in meeting our minimum needs for maintaining our capital plant.

The relatively large request for our AC&I funding this year is distorted by the $244 million needed for a replacement polar icebreaker.

This is a true national asset, and is an extraordinary expense item. Let me have the next slide (slide five).

This next chart shows our AC&I appropriation breakdown. You see that, aside from the icebreaker, the 1990 request is dominated by multi-year projects such as FRAM, and medium-range recovery helicopters, shown in red. We also have a small amount of relatively fixed expenses for support (such as personnel and design) and a few multi-year programs which require annual funding (such as minor AC&I, waterways management, and underground storage tanks). They are shown in light green.

Now, 11 percent of the AC&I request is for replacement assets and spare parts. That is shown in yellow. Less than 3 percent of this AC&I budget is devoted to truly new initiatives, shown in dark blue. This modest amount, about $20 million, will provide for safety (through systems such as local user terminals for search-and-rescue stations, and the Talon helicopter tiedown system for the safety of our shipboard helicopter operations) and for mission enhancements (such as the active-gated TV and portable intelligence collection system).

Because of the dominance of the icebreaker, this budget is very lean. Several projects have been phased to defer all but the immediately essential cost to the out-years. Let me have the next slide (slide six).

My final slide shows the recent history of our Selected Reserve strength. Our budget request of $74 million represents a 10 percent

increase over last year's funding for reserve. It supports our 10-year plan which calls for a systematic annual growth to reach a strength that will allow us to meet 95 percent of our highest priority mobilization requirements.

Mr. Chairman, President Bush and Secretary Skinner have assured me of their strong support for the Coast Guard's 1990 budget request.

I ask you for your continued support and leadership, and the support of this committee for our budget request. The Coast Guard is a wise investment.

I will be happy to respond to any questions the members of the subcommittee may have, and I ask that my complete statement be included in the record. Thank you, sir.

[The statement of Admiral Yost can be found at the end of the hearing.]

BUDGET ADEQUACY

Mr. TAUZIN. Thank you, Admiral. I also at this time would like to recognize the presence of a Member of this committee, and also the immediate former Chairman of the subcommittee, Mr. Earl Hutto of Florida. I want to welcome you to the hearing, sir. Thank you for being here.

Admiral, in your testimony, you said the overall budget increase, aside from the polar icebreaker funds, is roughly that of inflation.

However, when we factor out the amount of the COLA adjustments that you have to absorb within your budget, and adjust for inflation, isn't it true that there is actually a decrease in the Coast Guard's budget for fiscal year 1990?

Admiral YOST. That is very close, Mr. Chairman. Actually, it turns out to be a very, very slight increase. But let me explain that.

The Coast Guard was not actually required to absorb the COLA allowance, which was 3.6 percent. That was an increase in our budget. That means that we got a total of $36 million allowed for COLA in 1990.

On the other hand, we were not allowed to put in the budget the pay raise, part of last year's pay raise and this year's pay raise, which amounted to $29 million.

So although we got $36 million for COLA, we were required by the rules of putting forth this budget, to absorb $29 million. So there was actually a $7 million increase. But when you look at all of the extra things that the Coast Guard has to operate this year, it is an increase in dollars only and not effectively an increase in our budget.

Mr. TAUZIN. There has been a bigger concern expressed by quite a number of congressional offices and committees, that the Reagan-Bush proposal zeros out other transportation functions, such as Urban Mass Transit and Amtrak, and as we have seen in the past, Admiral, it is foreseeable that there will be some reallocation among transportation functions.

Even if we authorize the full budget level requested, there is a chance of lower appropriations within that reallocation under

97-144 - 89 - 2

transportation functions, if in fact other committees decide to retain Mass Transit and Amtrak funding.

What impact would that have upon Coast Guard operations, if funding requests are cut, as they were, at least for a time, in the last budget?

Admiral YOST. Well, I am very concerned with that eventuality and possibility. I have talked to all of the Members of the House Budget Committee, and asked them, as they do the 302a allocations, to be aware that there has to be enough money in function 400 to accommodate the United States Coast Guard with whatever might happen in the Appropriations Committees.

I have talked to the Chairman of my Appropriations Committee in the House, Mr. Bill Lehman, and we have had a very frank discussion on what he might do in the appropriation process once he gets his 302b allocation.

I am very worried that we would end up in a situation similar to 1988 when we had a $103 million shortfall, because you see, Mr. Chairman, I start out this President's budget with a $29 million pay raise absorption. So any shortfall that I have in appropriations below the President's budget adds to the $29 million.

In order to accommodate a decrease in the President's budget funds can only come—and maybe you will give me that graph again (slide three)—from about three places. One place is to size-down the Coast Guard to meet the budget, and that means cutting Coast Guard units. We would start with perhaps last year's list of things that were cut.

A second place is to take out what is in red—that is to operate the new facilities—and instead of operating those new facilities, to tie them up at the dock and say we do not have enough money to operate them.

The third place would be to take them out of the yellow, which would be to take them out of our maintenance, and not do the maintenance things—the shore facility rehabilitation, the spare parts for our aircraft, and those kind of things that we need to do.

The green, I cannot take anything out of the green because that is entitlements that I have to pay. I have to pay my rent and I have to pay the pay raises. So we would be very, very sorely put to accommodate less than the President's budget without resizing the Coast Guard.

Mr. TAUZIN. Well, let me be brutally frank. We watched the appointment of a gentleman to the Secretary of Transportation's position whose background is mass transit, and who is eminently qualified for the post of Secretary of Transportation. I am sure he will do an excellent job for this country. However, the concern is that the Coast Guard is being set up again. Mass transit funds are being zeroed out in the budget, knowing that the Secretary of Transportation is going to be on the Hill arguing for a restoration of those funds. Where does it come from? Out of Coast Guard.

And if it comes out of Coast Guard, your testimony is that you have to not only scale back the operation of the Coast Guard, but I suspect that means that you will not be able to perform your missions as you are currently performing them. Is that correct?

Admiral YOST. Well, that would be correct, but I will tell you that Sam Skinner has assured me that his instructions from the

White House, right on down, are to see that the Coast Guard gets a sufficient budget and that we do more in drug interdiction.

And Mr. Skinner is well aware that we cannot do more in drug interdiction if we do not get the President's budget. So he seems, to me, committed to getting us the President's budget. How we are going to do that is a mystery to me. It is a mystery to Mr. Lehman. And I think it may even be a mystery to my Secretary, but we are going to work on it.

PATROL BOAT SHORTFALL

Mr. TAUZIN. Before I begin yielding to other Members, I want to address one further topic. Even assuming you got everything that the budget requested for you, which, as you point out is, if anything, a small increase—perhaps even a decrease factoring in inflation—your own staff has predicted a major shortfall in patrol boats over the next 5 or 6 years.

You have predicted as much as a 29 percent shortfall in the number of patrol boats needed to meet minimum mission requirements.

Now we were shown a slide which, by the way, we have included in the Memberss' background packets today, that indicated the projected shortfall would begin next year and increase through the mid-1990's.

Now, Admiral, assuming you get everything you want and the Transportation Secretary is absolutely faithful to his commitment to the Coast Guard, as expressed to the President, what do we do about the shortfall, and how does it impact mission requirements?

Admiral YOST. We are going to have a shortfall of up to 28 patrol boats by our projections into the future. Those shortages come not because we did not foresee them, or that we did not know that we were going to have them. They come from historically low AC&I budgets. They come from a delay in getting the prototype of the new Heritage class built, and they come from a reduction in our buoy tender fleet.

As that reduction comes, we will need more patrol boats to meet search and rescue demands. So we are going to have a shortfall in patrol boats. That is not the only shortfall we have. I need to balance the AC&I budget that we get. But there is definitely going to be a shortage of patrol boats.

Mr. TAUZIN. What are you going to do about it, Admiral?

Admiral YOST. Well, it would be nice to be able to put more patrol boats in the budget, but the budget is constrained, as is the budget of other agencies in this country, by deficits, Gramm-Rudman-Hollings, and other things. So I have given you a balanced AC&I budget, but that budget reflects a shortage in patrol boats.

Mr. TAUZIN. All right. I am going to be blunt now. Your patrol boats are used for law enforcement, primarily. If you have got a shortage, a serious shortage as we see it, 30 percent developing, in patrol boats, it does not take a genius to conclude that you have got to cut back on your law-enforcement missions.

Now the law-enforcement missions are limited as well. Those include, you know, drug interdiction, environment, fisheries. You can go down the list. Which of those are you going to have to cut?

Admiral YOST. Well, all of those missions. All of the patrol boat missions are going to suffer if we have any shortage of patrol boats. As I said, that shortage could go as high as 28. We would, of course, attempt to extend the active duty of some of the older patrol boats rather than letting them go out of commission at 30 years. We would try to re-engine some patrol boats.

But the bottom line is, no matter what we do, and how effective we are in doing it, we will be short patrol boats. It will impact on the fisheries mission. It will impact on the drug mission, and will impact on the search-and-rescue mission. I cannot say it in any other way. It will.

I would like to be able to tell you it will not matter, that I will be able to handle this, that somehow I will smooth over it and everything will be all right. But it will not.

If we do not have the assets, we are not going to be able to perform at the optimum level in those missions.

Mr. TAUZIN. Thank you for your candor, Admiral. Admiral, I have other questions dealing with user fees, and questions of boating safety program problems that we foresee in this budget, as well as the drug interdiction program itself, emergency evacuation plans, and perhaps we can get to those later.

In deference to other Members' time constraints, I am going to start yielding to other Members for questions. I will start with the representative of the Ranking Minority Member here, Mr. Don Young.

ICEBREAKER USE

Mr. YOUNG. Mr. Chairman, thank you, and I will try not to take too long.

It goes back, Admiral, to my opening statement, and I will not take my good friend, Howard, back to the woodshed; but I would like to suggest, respectfully—it concerns me, the $244 million for the Coast Guard icebreaker, especially when we are going to be short of patrol boats.

My interest of course is to patrol the illegal fishing and search and rescue within the State of Alaska, as you well know. It will be your interest when you retire, hopefully. And it is your interest now.

And if we are short of money and we have a 30-percent shortage of patrol boats, yet we are going to spend $244 million, 1-10th of the budget on—as you can look at that chart—for an icebreaker, to be used for what? I have talked to the people involved in our arctic. Now if it is going to go to Antarctic, I do not want to hear about it.

If it is going to go to the arctic, fine. But I have talked to people that use that icebreaker—other than two whales—and they say they will not use the Coast Guard icebreaker. They already have icebreaker capability. It is my understanding that the science community now is building their own icebreaker for the Antarctic.

And we get back to the problem, as in your statement where it said "for national security." If it is for national security, may I remind you, the Coast Guard breaker the Russians used was a military breaker, but not a Coast Guard breaker. What are we spending $244 million for? The Great Lakes, or what?

Admiral YOST. Well, you know, it seems to me that several years ago, before this Congress came very close to tripling the budget of the National Science Foundation, that we had a lot of scientists fighting to use our icebreakers.

The fact of the matter is we have a need, in peace-time, for about two icebreakers to do the military research, the classified research that needs to be done for the Department of Defense, and for the support of the DEW Line in the Arctic, and for the support of the break-in to McMurdo in the Antarctic. Those are hard requirements that there is no way of ignoring.

In addition, we have, in war-time, a requirement for four icebreakers, two on each coast, two in each fleet, and so we have a polar icebreaker study showing that we need a minimum of four icebreakers.

DOD ICEBREAKER FUNDING

Mr. YOUNG. Admiral, I will agree with you if we have the dollars, but the truth of the matter, in each one of those instances—the Dew Line is a military utilization. It is not the Coast Guard's responsibility. All of the military activity you are discussing, the research, is a military mission.

I want my patrol boats. If I have my choice between my patrol boats and a Coast Guard breaker, to me, that makes more sense. And how much Coast Guard icebreaking activity did we use in the Arctic this year?

Admiral YOST. Well, there is almost zero mission, very close to zero Coast Guard mission for icebreakers; however, this Congress, some 20 years ago, made the decision that all icebreakers in this Nation would be under the Coast Guard, and they sent all the Navy icebreakers to the Coast Guard.

I now have the responsibility for providing this to the Nation.

Mr. YOUNG. And then I agree with you, but I am saying what you should do in your budget is ask for the $244 million to be spent on patrol boats, let the Defense Department build that icebreaker and give it to the Coast Guard as they did it in the past.

Now you get the icebreaker, and the mission that you are charged with is not your fault, and we have the patrol boats available. But when you spend $244 million for that icebreaker, that has to come out of your budget. You did not do this 20 years ago. It is the military's responsibility to build that icebreaker.

Admiral YOST. Well, not all of the research of course is military research, and I made a very strong pitch to Jim Miller and his people over at OMB, that this is a national asset. It should not be in the Coast Guard budget.

Mr. YOUNG. That is right.

Admiral YOST. But there is no budget function that is labelled "national assets." All the budget functions are labelled transportation, or defense, or commerce, or something else. So it is in my budget.

DRUG INTERDICTION OPERATIONS IN THE BAHAMAS

Mr. YOUNG. All right. I think we are on the same track, but I think we ought to look at the appropriation and see if we cannot

get the military budget to absorb some of this because it is not fair. It is not fair to the enlisted people, it is not fair to the missions we have charged you with in Coast Guard surveillance of illegal fisheries, and which brings me to another point.

We have a question that Mr. Davis, I believe, wanted asked. I am going to ask it. The Coast Guard activities, and assets and operations involved in drug interdiction effort in the Bahamas, including the cost of patrolling cutters and soon, the six aircraft to be used in the Bahamas.

That is a large part of your budget. What is going on in the Bahamas that we do not know about?

Admiral YOST. All right. Let me describe that, and before I do, let me also say on the icebreakers, we are kind of on the "horns of a dilemma" because we also have a statute that has been passed within the last 5 or 6 years, directing the Coast Guard to design, bid, and construct an icebreaker. The Coast Guard. So it is a little difficult to get that out of our budget. Anything you can do, I would be delighted. Let me go to the Bahamas.

Mr. YOUNG. We will look at that one. Let's go to the Bahamas. I mean, there are a lot of activities, in the Bahamas.

Admiral YOST. Let me go to the Bahamas. We have a need for almost no icebreaker capability in the Bahamas.

[Laughter.]

Admiral YOST. But we do use some patrol boats down there, and let me tell you what the mission is there.

We have found that the Bahamas provide a large archipelago, with a lot of uninhabited islands. That makes a perfect spot for drug smugglers to bring drugs into and through to the United States.

The Bahamas is basically a funnel that transports drugs into the United States. In order to interdict drugs coming into the United States, we found it necessary—by "we" I mean the National Drug Policy Board—to put into the Bahamas an Operation Bahamas, with an operations center in the building of our ambassador. DEA and Coast Guard jointly man that operations center, which has secure communications, around the clock .

We have six helicopters. We want to put a total of twelve there. The Army has three helicopters. Customs has one helicopter. DEA has one or two helicopters.

In addition, we have two bases that we man with the Bahamians, one at West End and one at Gun Cay. Coast Guard and Customs jointly man and command its fast boats.

In addition to that, we have a number of patrol boats that patrol the Bahamas, fuel in the Bahamas, and operate in and out of the Bahamas with the Bahamian Defense Force. We also have all kinds of aircraft that patrol the Bahamian archipelago.

COST OF BAHAMIAN OPERATIONS

Mr. YOUNG. Is the total figure there $30 million, or what is that expenditure for the Bahamas triangle?

Admiral YOST. Well, in 1989, it looks like we are going to have about $34 million into that Bahamian operation. It will probably grow just a little bit in 1990.

TALON

Mr. YOUNG. Admiral, I also saw in your testimony, in your AC&I, going back to the icebreaker, that you request $7.1 million for the Talon helicopter restraint system. Quickly, is that something new? Are we utilizing that now?

Admiral YOST. Yes. That is new. We have one prototype installed. It is basically a grid system, that when the helicopter lands on the deck, it fires, or puts a probe down that is grabbed by this grid.

The helicopter crews, up to now, have had to scramble out under the helicopter on a rolling deck, and get that helicopter tied down before it rolls off the deck or turns over.

With the new helicopters, a much lower blade, the crews are in danger of getting decapitated, and we need to put this probe down and fasten it.

Mr. YOUNG. Along that line now, are you studying the system which will move that helicopter into the hangar, or do they have to wheel it into the hangar?

Admiral YOST. They have to wheel it in. We looked at a system to do that. It is way too expensive, too complicated, and does not always work as well as we would like. We like this system. It is much simpler and much cheaper.

Mr. YOUNG. And still allowing them to wheel it into the hangar?

Admiral YOST. We will put it in the hangar when the weather permits.

Mr. YOUNG. Because one of my concerns is we have real severe weather, as you know, up there, and one of my concerns is that we take care of that crew. And when they go on the deck and have to move the helicopter, they have some real serious problems.

Admiral YOST. Yes. They do.

Mr. YOUNG. Mr. Chairman, I have some other questions that I will submit later.

Mr. TAUZIN. We will come back. We will try to have another round of questions. We will just try to move around now, if we can.

The Chair recognizes the Chairman of the Full Committee. Mr. Jones.

STATION OREGON INLET

Mr. JONES. Thank you, Mr. Chairman. Admiral, I am pleased to see that your budget request contains $3.6 million for the construction of a new station at Oregon Inlet. However, I am concerned about the fate of the old station building. As you may know, several proposals to turn it into a visitor's center or a museum have been put forward by local citizen groups. What are the Coast Guard's plans for the building?

Admiral YOST. We will follow the normal procedures, Mr. Chairman, to dispose of this building as excess property. The adjacent property is owned by the National Park Service. We anticipate that the property will revert back to the National Park Service. That would be my expectation, Mr. Chairman.

Mr. JONES. I have been advised by staff that it might be turned into a diving station.

Admiral YOST. By a civilian concern?

Mr. JONES. By anybody, because I think it is going to sink in the water.

Admiral YOST. Oh, I see. Because of erosion. We have had to relocate because of the rapid erosion to the present site, and of course we are very concerned. It is why we are moving. Right.

IMPACT OF DRUG INTERDICTION ON OTHER MISSIONS

Mr. JONES. Now, Admiral, once again, this year there is concern that your emphasis on drug interdiction is interfering with the Coast Guard's ability to handle its other missions. Would you care to comment?

Admiral YOST. Well, I think that there is no doubt that there is tension between the various missions that we have, because we do not have unlimited resources. I tried to take the view of Congress, and what missions ought to be prioritized, and I have taken that priority to be that drug interdiction is the top mission for the Coast Guard as far as this Congress is concerned.

At the same time, the Congress does not want us to walk away from fisheries, or search and rescue, or marine pollution. Very frankly, I hope to walk a few assets the other way this year, and focus a little more on the fisheries, as we have in the past.

So I am also concerned, as you are. I will say to you that no matter what mission a unit is involved in, when a search-and-rescue case comes up with a danger to life and property, the first mission is terminated, and we apply that asset to saving the life and property.

COMMERCIAL FISHING INDUSTRY VESSEL ADVISORY COMMITTEE

Mr. JONES. Admiral, last year, Congress passed a law directing the Secretary of Transportation to establish the Commercial Fishing Industry Vessel Advisory Committee.

I understand that you submitted a list of 17 individuals to the Secretary. If it is in order, I would appreciate it if you would provide me with the list of recommendations.

Admiral YOST. We did recommend 17 members to the Secretary. Secretary Burnley appointed nine of those members. Secretary Skinner intends to move very quickly to fill the remaining slots.

Let me provide you, for the record, the nine appointees, and assure you that Secretary Skinner does intend to move very quickly on the other eight.

[The information of Admiral Yost follows:]

FISHING VESSEL SAFETY ADVISORY COMMITTEE

The Fishing Vessel Safety Advisory Committee was appointed by Secretary Skinner March 15, 1989. A list of the membership follows:

1. Bruce H. Adee, Seattle WA
2. Peggy C. Barry, Washington, DC
3. Edward A. Blackmore, Stonington, ME
4. Bradley Daniel Brauer, Tabb, VA
5. Philip Emil Chitwood, Seattle, WA
6. Gerald W. Dzugan, Sitka, AK
7. George Easley, Astoria, OR
8. James A. Florant, Chincoteague, VA

9. David P. Harville, Kodiak, AK
10. James William Herbert, Homer, AK
11. Thomas D. Laing, Jr., Rosharon, TX
12. Harris Lasseigne, Jr., Brownsville, TX
10. Kim I. McCartney, Moorestown, NJ
14. Harold Medina, El Cajon, CA
15. John J. Mialjevich, Jr., Gretna, LA
16. Gregory Switlik, Trenton, NJ
17. Robert M. Tetrault, Portland, ME

AR&SC Personnel Ceiling

Mr. Jones. Thank you. Finally, in fiscal year 1988, the Senate report noted that the arbitrarily imposed personnel ceilings on the industrial work force at the Coast Guard yard had an adverse impact. That is, having a personnel ceiling actually increased costs to the Coast Guard.

Do you have a similar problem with industrial work force ceilings imposed on your aircraft repair and supply center?

Admiral Yost. Yes. We have. We are finding that the limitations imposed by our FTE ceiling forces us to contract out functions which could be performed more economically, and more efficiently, in my opinion, by the AR and SC. We will work towards getting more flexibility in our FTE and our work force there. Any help you can give us would certainly be welcome, sir.

Drug Interdiction in Puerto Rico

Mr. Jones. Thank you. Admiral, I suppose you have read in recent days that the Merchant Marine Subcommittee of this committee went to Puerto Rico.

Admiral Yost. I have read about it many times, thank you.

[Laughter.]

Mr. Jones. You have emphasized a drug route through the Bahamas, but isn't an alternative route through the south coast of Puerto Rico? After all, once in Puerto Rico, the drugs are within U.S. Customs' jurisdiction. And do you have an adequate, or even any enforcement capability on the south coast of Puerto Rico?

Admiral Yost. We do have a considerable amount of forces in Puerto Rico. I think Puerto Rico is in fact a conduit and an entry port for drugs. And once drugs get into Puerto Rico, they are in fact in the United States.

We have a major problem in Puerto Rico. I have been down there as well, and talked to the Governor. As you know, the State is putting in an Aerostat balloon. They are funding it themselves. We want to, and we are working very closely with them. We want to hook that radar into the command-and-control system.

Yes, I am very concerned about what comes into Puerto Rico, particularly in the container ship area. I do have, Mr. Chairman, some numbers on the forces we have in Puerto Rico, which are not small.

We have seven patrol boats. We have four H-65 helicopters. We have three C-130s. We have a law-enforcement team down there. We have a Coast Guard base and a Coast Guard air station.

So we are not ignoring Puerto Rico. I agree with you, sir, it is a place that we have got to continue to pay attention to.

Mr. JONES. I think, Admiral, the point that concerns some is that none of these personnel are on the south coast.

Admiral YOST. The south coast? All right, sir. Let me take a very hard look at the south coast. I know that is a coast where we do not have anything watching.

Mr. JONES. Right.

Admiral YOST. Things can come in there very easily, and I will discuss that immediately with my commander of the Atlantic area, and relay your concern, and mine, as to that as a port of entry.

Mr. JONES. Mr. Chairman, that concludes my questioning.

Mr. TAUZIN. Thank you, Mr. Chairman. The Chair notes that we are always pleased when our committee makes a headline or two. [Laughter.]

Mr. TAUZIN. The Chair now recognizes the gentleman from Oklahoma.

Mr. INHOFE. Admiral, as I mentioned to you a couple weeks ago at an event—you may have forgotten it now—I am probably the only Member of this committee that was the beneficiary of a search and rescue on behalf of the Coast Guard in the last 3 or 4 months. So, until you experience that, you cannot really appreciate the work and the effort, and the dedication that these young guys have when they are out performing that function.

I have also seen, and was anxious to get on this subcommittee, and anxious to get on the general committee also, as a result of some of the experiences I had in trying to get into the effectiveness of the Blue Lightening program and other programs like that, and the Coast Guard can certainly be complimented in their cooperation with Customs, with local law enforcement, Navy, Air Force, and other entities.

Thirdly, I want to reemphasize the statement that you made concerning the Administration and the Secretary of Transportation. I had occasion to the talk to the Secretary and I have talked to a number of people in the Administration, and they are very much concerned about making sure you do have the resources necessary to perform the drug interdiction functions that have to be performed.

I serve on the Select Committee on Narcotics and Drugs, and I know that without your participation our interdiction program would not work.

It is always difficult to say, well, if the emphasis is going to be there, where is it going to come from? And at this early stage in the development of the budget, I think we really can best look at the statements that have been made, in this case by the Secretary of Transportation, by the President of the United States, on the emphasis that he feels should be given to that program.

So as one Member of this subcommittee, I will be wanting to expand the activities of you folks, and the very effective job you are doing in drug interdiction.

Admiral YOST. Let me say, Mr. Congressman, that this Commandant never forgets a comment made by a Member of this committee at an event, and I do very well remember you discussing that with me, and thank you for it. And it made my night, frankly, the kind things that you said about our young men and women who are out there at sea, rendering service to members of our society.

I would say to you that I agree with you that the President and the Secretary are very much behind this Coast Guard's budget.

I often think to myself though—I see that television commercial that says, "I can do that, I can do that. How am I going to do that?" And I worry when I talk to my appropriations people. I associate myself with the remarks of my Chairman. How are we going to accommodate the Coast Guard budget within the function 400? And I am worried enough to have been talking to the Budget Committee of this House, and I am going to start on the Senate next week. I need the help of every Member here—not just the President and not just my Secretary. My Appropriations Committee is where it is all going to come down to. It is going to come down at midnight, on the last night before this Congress adjourns. I am going to wake up in the morning either with the President's budget, or down $103 million like I was in 1988. And that is a terrible, terrible feeling. I do not know how we are going to do that.

Mr. TAUZIN. Does the gentleman have any additional questions? The Chair now recognizes the gentleman from Tennessee. Mr. Clement.

BOAT SAFETY FUNDS

Mr. CLEMENT. Thank you, Mr. Chairman. The Coast Guard proposes a 50-percent reduction from $30 million to $15 million for State recreational boating safety programs.

As you know, I am from the State of Tennessee, an inland State, not like many of those that are represented on this particular committee.

What rationale do you give for this proposal?

Admiral YOST. Well, this was a part of the Administration's overall effort to reduce the Federal deficit. Naturally, the States would like to receive the maximum amount of funding possible.

We are getting an adverse reaction from the various States. I have talked to the representative here of Boat U.S. just before this hearing started, and he gave to me his concern about this. Now, what the Administration is proposing will reduce the Federal deficit. On the other hand, it will also require us to propose new legislation because it is not in consonance with the current boating safety legislation.

So we, as the Administration, will shortly come up with legislation that will allow us to take a greater portion of this fund and put it within the Coast Guard. I have got an adverse reaction. I expect we will continue to get an adverse reaction, and it will be up to this Congress whether this will be permitted, or not.

Mr. CLEMENT. Well, what do you propose a State, such as the State of Tennessee do, to make up for the shortfall in funding under the recreational boating safety account?

Admiral YOST. I will have to consider that. I have not been so asked by the State of Tennessee, sir, how they are going to administer their program. We are going to have an adverse reaction from these States. They are going to have a budget deficit if they do not get back their full share of that money, or they are going to have to cut back those programs.

Mr. TAUZIN. Would the gentleman yield. Just to point out, Admiral, that the current law says you cannot get a dollar more in your boat safety program than is extended to the States.

Unless we change that law, either the budget has to be changed to increase the States' allocation by $15 million, or your allocation is going to have to be reduced by $15 million.

Which would you prefer?

[Laughter.]

Admiral YOST. Well, are you asking me, or the gentleman from Tennessee?

Mr. TAUZIN. I am just asking that——

Mr. CLEMENT. No, he is asking you.

[Laughter.]

Mr. TAUZIN. I think maybe the gentleman from Tennessee would like to know which do you——

Admiral YOST. I have come up here with a budget that is a very austere budget, a budget that is already $29 million short. I will have to absorb, or to resize the Coast Guard to match it.

If in fact I lose another $15 million because this particular proposal is not accepted, or not passed, and the new legislation not passed, I will then have a shortage of $44 million that I will have to short the Coast Guard.

So all I am saying is, don't short me. I do not know how you are going to accommodate this legislation, or what the States are going to do about it. That is above my pay grade, sir, and at the pay grade level of the Member from Tennessee.

Mr. CLEMENT. How much did the Coast Guard request for the recreational boating safety account in the first pass to the Secretary of Transportation and/or the Office of Management and Budget?

Admiral YOST. Well, that is probably privileged information, but I will stick my neck out in both directions, and tell you that our first proposal accommodated the present law. I think you would have expected that I would not have proposed to break the present law. When that went up within the Administration, the decision was made that we would propose legislation to change the present law. That is where we are now, sir.

Mr. CLEMENT. Why did you propose capping the budget authority for the sport-fish restoration program at $100 million, and what consequence would such a cap have?

Admiral YOST. I do not have any information on that, sir. I will have to provide that for the record, if you will permit that.

Mr. CLEMENT. Yes; if you would.

[The information of Admiral Yost follows:]

SPORT FISH RESTORATION PROGRAM

The Sport Fish Restoration Account is administered by the Department of the Interior's Fish and Wildlife Service. I don't know what consequence the proposal to cap the program at $100 million would have.

Admiral YOST. Thank you.

Mr. CLEMENT. Thank you.

Mr. TAUZIN. I thank the gentleman. The Chair now recognizes the gentleman from Florida.

BRIDGE ADMINISTRATION TRANSFER

Mr. Goss. Thank you, Mr. Chairman.

Good morning, Admiral. I am very happy to be here on this mission that I think we all have of trying to do the impossible, but I know we are going to do it because it has got to be done.

I have some specific questions that I want to make sure that we are not duplicating.

I understand there is a move afoot to take the bridge permitting program and put it back where it belongs, in somebody else's back yard, and I would wholeheartedly support that.

Is there a cost savings that benefits your budget involved in that, if we are successful?

Admiral YOST. Yes. I think that there will be some cost savings in efficiency to have the same agency do all the permitting for construction within navigable waters. But I think even more than that, it will serve the American public, that will now have to go to one agency instead of multi-agencies, in order to get their permits to do work in the navigable waters of the United States.

Mr. Goss. Is there any dollar amount that you can assign to that at this point?

Admiral YOST. Let me provide that for the record, sir. I cannot at the moment.

Mr. Goss. Thank you very much.

[The information of Admiral Yost follows:]

BRIDGE ADMINISTRATION TRANSFER

Aside from the time savings associated with management oversight, the Coast Guard will not realize any cost savings. The Bridge Administration transfer is "budget neutral." Funding to administer this program will be transferred to the Army Corps of Engineers. However, decentralization and elimination of the present situation of duplicate travel by the Coast Guard and the Corps of Engineers should save the Federal Government approximately $58,000 per year.

DRUG INTERDICTION FUND COORDINATION

Mr. Goss. With regard to the commentary on the Bahamas, and the effort there, obviously we are well aware of the success of Blue Lightening and the continuing problems in the Florida straits.

I do get a little parochial about this because while we concentrate so much on Southeast Florida, we sometimes forget about Southwest Florida, and that is an equally attractive trafficking target.

There has been a lot of evidence in a subcommittee in the last few weeks, that the Department of State, and other agencies that are involved, also have budget requests that involve this war on drugs.

And I was wondering if there had been any coordination effort yet. This truly is a national problem. Maybe the argument we

make about the icebreakers is an argument we can make about equipment in the war on drugs also.

Has there been any effort to get others to fund some of the hardware aspects of this, and thereby provide some relief for your operating budget?

Admiral YOST. Well, let me first talk about the drug effort. As you know, the National Drug Policy Board was tasked, has been tasked, to look at budgets, to assign allocations to various budget items within agencies, and to set lead agencies in various areas in the drug business.

The Drug Policy Board has been doing that. That will shortly go, within the next 25 days, or so, to whom we now call our new drug czar.

I have met with Mr. Bennett within the last three days. Bill Bennett has assured me, as he assured his confirmation committee in the Senate, that he will have an effect on agency budgets, and that he does want agency budgets submitted to him at the same time they are submitted to my own Secretary.

That apparently is the thrust of the legislation, and it has been agreed, so I will certainly do that. Now the allocation in lead agencies pretty much fixes the allocation of the budget.

That is, if there is a lead agency in a certain area, that is the agency that budgets for tools to do that job. So, yes, it is being done.

Now, as far as allocation across all of my missions, the only person that has a wide view of all of my missions, above me, is of course my Secretary. He takes a look at my budget allocation for icebreakers versus patrol boats, versus E-2Cs, et cetera.

DRUG BUDGET

Mr. GOSS. What percentage of the Coast Guard's mission, would you say, in terms of expenditure of dollars these days, are committed to the war on drugs?

Admiral YOST. Our drug budget is running 24.8 percent of our operating expense budget right now. That is up from the 18 percent as early as 1983. So we have gone from 18.8 to 24.8 in just 7 years.

Mr. GOSS. And Mr. Bennett knows that, or is going to know that?

Admiral YOST. He will certainly know that, sir, and I would expect that he would not oppose that growth, and that continued growth, since he is responsible as the drug czar.

DRUG FUNDING IMPACT ON ENVIRONMENTAL PROTECTION

Mr. GOSS. The final question that I have, Mr. Chairman, on this point, is that understanding those facts—and they are real facts of life—what is that doing to—we have talked about your patrol, and recreational fishing and sport fishing, and other matters. I want to talk about oil spills.

Just last week we had another incident in the Florida straits. We had a slick 10 miles by three. That is virtually a daily occurrence down there, one way or another. I understand that it is your mission to cope with that. There are other types of oil spills that we read about. I understand we had one in Hawaii also last week.

That is a significant concern because if we give up on that mission the cost of the repairs are virtually incalculable.

Can you comment on are we taking any damage in those capacities by substituting the war on drugs mission?

Admiral YOST. I think a very interesting thing is happening in this mix of budget priorities. I told you that in 1983, 18.8 percent of our budget was in drug interdiction. In the same year, the percentage of our budget in marine environmental protection was 7.3 percent.

Now this year, in 1990, I am proposing a budget that would give us 7.5 percent in marine environmental protection. That is almost exactly the same. In fact it is a growth of .2 percent, which I do not think is very meaningful.

We got about $147 million in that particular budget area. Now what that means is that the growth in our budget since 1983 has been primarily from the Anti-Drug Abuse Act, and those kind of things that have put money in the drug part of our budget. We have also had a small growth, all along, in marine environmental protection.

Mr. GOSS. Thank you very much. Thank you, Mr. Chairman.

Mr. TAUZIN. We thank the gentleman. The Chair now recognizes the gentlelady from New York.

FLOATING DEBRIS IN N.Y.-N.J. HARBOR

Mrs. LOWEY. Thank you, Mr. Chairman.

Admiral Yost, on Tuesday, the EPA, along with the Coast Guard and six other Federal, State, and local agencies, announced a joint effort to monitor and collect floating debris in the New York-New Jersey harbor complex.

The Coast Guard, as I understand it, will be providing routine helicopter patrols three days per week, and routine daily boat patrols of the harbor from May 15th through September 15th.

The Coast Guard's role in the program is that of surveillance, guarding against illegal dumping. This is a critical issue with us in the Long Island Sound.

Do you see this as having any impact on the Long Island Sound? Do you see any possibility of this program expanding into Long Island Sound? Is there any money allocated for that?

Admiral YOST. There is no money allocated for it, but in my direction to my area commanders, Vice Admiral Thorsen in New York (at the moment) and Vice Admiral Robbins in San Francisco, I told both of them that I do not want to short either fisheries or marine pollution.

In fact they need to walk some resources back in to those two areas, in aircraft hours and ship days. Now that is very hard to do when the resource growth that I have is almost all in drug interdiction.

When this Congress provides me money for boats and helicopters for drug interdiction, and then I walk them back into fisheries in New England, or medical wastes in Long Island Sound, there may be a couple of Congressmen sitting close together here that would cheer that, but there will be perhaps an equal number who will tell

me that is not why we provided that money. So I have got to be very careful as I do that.

But I am committed to do that, in a low-key way, without a lot of advertising and beating my chest. So I would rather talk to you about it on a one-to-one than in this public hearing, but, yes, we will do that.

Mrs. LOWEY. Thank you. I would be delighted to talk with you one-and-one about it any time. Thank you.

Mr. TAUZIN. I thank the gentlelady. The gentleman from Massachusetts. Mr. Studds.

RESCUE SWIMMER PROGRAM

Mr. STUDDS. Thank you, Mr. Chairman.

Admiral, I am going to spare you—at least I think I am—some of the general budgetary woe, or "woe is us" things here. Here we go again on that.

Let me try to hit a number of specific things. Then if we have some time for general woes, we can do that at the end.

On the rescue swimmer program, thank you for my video. I appreciate that. Obviously good news is rare and that is wonderful news. I am particularly impressed by the size of the woman who rescued the pilot, and the relative difference in weight.

You say in the video that you need more rescue swimmers to meet your search-and-rescue needs.

Does the budget before us provide additional funding for that?

Admiral YOST. The budget before us does not provide funds for the rescue swimmer program. I expect to request funds in future years for this program. We still have some air stations that are not equipped with rescue swimmers.

Mr. STUDDS. No new training whatsoever in this budget?

Admiral YOST. Well, there is no new money in this budget. There is training in the budget for the rescue swimmers that we have.

Mr. STUDDS. Yes.

Admiral YOST. But we are not expanding it to phase five in this budget.

Mr. STUDDS. How many more do you need?

Admiral YOST. I guess we are short 35 billets at six air stations and two air facilities which will be in the final phase. In other words, we have yet to go, 35 billets at eight air facilities.

Mr. STUDDS. We will not even question your priority in the allocation of these resources. If you are going to go around saving Republican Members of Congress——

[Laughter.]

Mr. STUDDS. I mean, really.

Admiral YOST. We did not put a rescue swimmer in the water for that.

Mr. STUDDS. I am very relieved to hear that.

[Laughter.]

COMMERCIAL FISHING INDUSTRY VESSEL ADVISORY COMMITTEE COMPOSITION

Mr. STUDDS. Going back to Mr. Jones's question about the Fishing Vessel Advisory Committee, the Safety Advisory Committee, I

have a little note here from an unnamed source, which I hope you will assure me is not accurate.

As I understand it, someone very high in the Coast Guard, right about at the top, provided, on schedule, the names, the suggested list of nominees to the Secretary of Transportation, approximately 17 of them.

Of those, as we know, nine were appointed. My source tells me—and please tell me this is not true—that what the nine have in common is that they are all Republicans, and what the eight who have not been appointed have in common is that they are all members of another party. That is not possible, is it?

Admiral YOST. I cannot imagine that that would be the case, but it is possible, yes. All things are possible, sir. I would rather report in writing to you on that at a later date when I can fully analyze it.

Mr. STUDDS. All right. Let me ask that you do that.

[The information of Admiral Yost follows:]

APPOINTMENT OF COMMITTEE MEMBERS

On March 15, 1989, Secretary Skinner appointed all 17 members recommended by the Coast Guard and sent them letters of appointment. All have been contacted and the first meeting has been scheduled for April 19, 1989.

Admiral YOST. I do not see—I am apolitical.

Mr. STUDDS. Me, too.

Admiral YOST. I was afraid you were going to tell me that we did not have the right mix of races, or gender, but——

Mr. STUDDS. No.

Admiral YOST. I do not know about the political——

Mr. STUDDS. No, and I am sure you will agree with me, that the need, and the adequacy of advice with respect to fishing vessel safety probably is unrelated to one's political registration?

Admiral YOST. I would think there would be some Democrats that could probably give some good advice in that area.

Mr. STUDDS. Maybe even some independents, but for God's sake, let's get the thing going. It was due, in the law, 90 days after September 9th, last year. That has come and gone.

Admiral YOST. We do need that committee. We need it as soon as possible. I briefed Secretary Skinner on it. In fact he asked my appropriations Chairman during his Appropriations Committee to raise the ceiling of the money we can spend for advisory committees. There is not even money for this advisory committee right now.

Mr. STUDDS. I understand. We hope that gets resolved before we have to really verify the source of that report.

Admiral YOST. I would hope so, too, sir.

COAST GUARD HOUSING COSTS

Mr. STUDDS. Yes. With respect to housing for your personnel in high-cost areas, for example, Cape Cod, as you know, you have got less than a third of your personnel in Coast Guard-owned or leased housing there.

Are we losing good people because they cannot afford to exist in the Coast Guard under those situations in high-cost areas?

Admiral YOST. That is one of our higher-cost areas. We will lose good people. Whether we have or not, to this point, I do not know. We will lose good people. We have a planning proposal to restore 180 of the previously closed housing units at Cape Cod. The funding to do the first 25 was received in the 1989 budget. That is the good news.

The bad news is that we have been held up in that project with problems with regional sewage treatment facilities, and other environmental issues. There is no way now I can obligate that money in this fiscal year.

So I am going to take that money for housing in another area that is equally as critical. We will fund the Cape Cod project out of this budget.

Mr. STUDDS. Does that mean that money is gone forever?

Admiral YOST. No, sir. It means we are borrowing that money from the Cape Cod project so we can obligate it this year and we will put it in next year.

FISHERIES ENFORCEMENT

Mr. STUDDS. All right. I assume that is an interest-bearing loan? Never mind. I hear you. Next subject.

Enforcement of laws and treaties beyond drug laws. We have a problem, as you very well know, on Georges Bank, given the World Court decision with Canada and the United States. There has been the use of live ammunition by the Canadian authorities in enforcing their version of that line.

The Canadian Government has requested and the U.S. fishermen have requested some Coast Guard presence in a very dicey situation up there.

How much of your budget is dedicated to fisheries law enforcement?

Admiral YOST. It looks like 9.8 percent.

Mr. STUDDS. How does that compare with last year?

Admiral YOST. It is the same as last year. I am trying to see how it compares to 1983. I do not have it broken out. Well, I had 9.6 percent in 1983. So it is about the same. But the fact of the matter is, we need more in fisheries law enforcement than we have.

Mr. STUDDS. You sure do.

Admiral YOST. And I have recognized that, and I have discussed it with my area commander. We are going to quietly walk a few things back there.

Mr. STUDDS. Because as you know, we have Canadian Coast Guard vessels chasing, under armed attack, U.S. fishing vessels for several 100 miles without any sign of the U.S. Coast Guard. It would be a nice place for you to be.

Admiral YOST. I agree with you, sir.

Mr. STUDDS. You know what I think about your large cutters coming out of Boston and turning right, and heading south.

Admiral YOST. Yes, sir. But I would much rather talk about a small boat in Chatham if you like.

Presidential Security

Mr. Studds. Well, that is my last. I am going to end up with a happy one, I promise.

Admiral Yost. All right, sir.

Mr. Studds. But just before I get there, I understand that—speaking of saving prominent Republicans—and I support you—you have a new mission in Kennebunkport. And I understand that that is a sizable commitment on the part of the Coast Guard.

Again, something like the same source that gave me the earlier information tells me we are talking 35 to 50 billets, and $1 million, roughly, in operating funds for the protection of the President when he is at home in Maine?

Admiral Yost. I would have to respond to a direct question—I would have to do that in writing, if you want to ask such a question.

Mr. Studds. Well, I am not so much interested in the specifics, but as a general order of magnitude, am I right that these kinds of resources will be necessary to provide that protection?

Admiral Yost. We are going to have to spend more money in Kennebunkport than we spent in Plains, Georgia, for protection of the President.

Mr. Studds. Now where is it coming from? Is the First District going to be given additional resources to do that job?

Admiral Yost. The First District Commander—apparently you must have discussed this with him because he came flying down to Washington, pounding on my desk, and I am trying to deal with him. But he is a very difficult man to deal with when he wants additional resources. We are going to have to find some, I get the feeling, after my discussion with you here.

Mr. Studds. I am very, very glad to hear that. This business of concern for the safety of members of the Minority Party can be overdone.

Mr. Tauzin. Would the gentleman yield.

Mr. Studds. Certainly.

Mr. Tauzin. Was it not one of the 110 patrol boats constructed for drug interdiction that has been rerouted to Kennebunkport?

Admiral Yost. Well, the funding for the patrol boats—some of them came out of Department of Defense, for defense of the country; some of them came out of drug interdiction money. I do not know which boats we will use for this. One of them will probably come out of Norfolk, Virginia, and deploy up to New England. So that will be a left turn when that boat clears the Chesapeake.

Mr. Studds. That is very refreshing.

Admiral Yost. And one of them will be a New England boat.

Growth in Drug Interdiction Spending

Mr. Studds. One final thing, if I may, Mr. Chairman, before I say a happy thing.

Could you run by us, again, those rough estimates of the percentage of your budget dedicated to drug enforcement in the last 3 years, and the coming one.

Admiral Yost. In the last 3 years? I will have to do that for the record. What I gave you was——

Mr. STUDDS. What do you have? For last year or this year? How do you have it?

Admiral YOST. Well, all I have right now with me is this year, drug interdiction is 24.8 percent of our budget, and that is going to be a slight growth over the last 3 years.

Mr. STUDDS. It has gone up, steadily?

Admiral YOST. It has gone up, steadily, but it is only by a percent or so each of the last 3 years.

Mr. STUDDS. Well, you know my next question, then.

Admiral YOST. Real growth has been since 1983.

Mr. STUDDS. Yes. What about that provision in the drug law, the Omnibus Law of last year, that says you cannot do that unless you have extra money?

Admiral YOST. The provision says we are not to take it from other places in order to do that.

Mr. STUDDS. Yes.

Admiral YOST. And so what I am telling you is we are going to have to walk back some of those resources.

Mr. STUDDS. You are going to have to walk them back?

Admiral YOST. Well, we might sail them.

Mr. STUDDS. Can I have a translation of that?

Admiral YOST. Cruise them back. I think that we need more resources in some of our fisheries areas. I would not be able to testify that anybody at the top has broken the law by taking resources in the past few years. I would have to research that. It would take years to find that out, probably.

Mr. STUDDS. Last year you pled guilty on the spot.

Admiral YOST. I know. I am smarter this year.

[Laughter.]

STATION CHATHAM

Mr. STUDDS. Mr. Chairman, let me just say that in the middle of all this crisis, and sadness, and budgetary game-playing that the Admiral has objected to, there are real people as you very well know doing real jobs.

And I have got to tell you that the reference you made a moment ago to the little small station in Chatham, on Cape Cod, you came up with a chief who is the best, and reflects the best of the Coast Guard as it has always been, and as I think most of us always want it to be.

And I just want to say that for a small station which had horrible problems, as you know, you reached deep down inside in the finest traditions of the agency, and you folks should be very proud of that chief, and don't you dare take any of his resources away. He only has two, anyway.

Admiral YOST. Aye, aye, sir.

Mr. STUDDS. Thank you, and very well done. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, sir. I want to point out how pleased the Chair is to have the institutional memory and the expertise and the experience that the gentleman brings to this subcommittee.

Mr. STUDDS. Is that a polite phrase for age?

Mr. TAUZIN. That is praise primarily because the gentleman has stewarded this committee I think for quite a number of years, and along with Earl Hutto, both now return to the subcommittee, and I just make the point because while this gentleman is new to the Chairmanship, we have some old salts here who are prepared to help me make sure that the Coast Guard is indeed properly on its mission, and that Congress properly respects its prime missions.

We also are pleased to have with us a gentleman who is not a Member of the subcommittee, I think indicative of the interest that the Full Committee Members, Mr. Chairman, have in this subcommittee's work, is his presence today, and I would like to recognize him.

Although he is not a Member, he has asked to be here and participate. Mr. Pallone of New Jersey. The gentleman from New Jersey.

USER FEES

Mr. PALLONE. Thank you, Mr. Chairman. I appreciate that. I just wanted to ask about the user fee for recreational boaters. I do not know if you have commented on it yet today, but I see that supposedly the Administration has proposed that, or supports it.

My initial question is, Admiral, whether or not the Bush Administration does now support this additional $25 general fee, both for recreational and commercial boaters? And, again, my concern is as to what that money would be used for. I know that the gentleman from Tennessee indicated before his objection to the fact that boating safety grants to the States have been cut back significantly.

I always hear from the recreational boaters that they do not get the benefit of any additional fee that might be proposed, and I have two questions, really.

Number one: Does the Administration now support this fee? and, two, what would the fee be used for, particularly with regard to recreational boating?

Admiral YOST. Yes. This is an Administration bill. The Administration has proposed a user-fee bill every year for the past 5 or 6 or 7 years. The user-fee bill has not been well-received in Congress.

We have never been able to get a user-fee bill passed in Congress. We have hopes that this user-fee bill will receive a kinder reception because there are much less dollars involved with it. Previous user-fee bills have been up around $500 million.

This user-fee bill would bring in about $150 million, somewhere in that area. The mainstay of the user-fee bill that will be submitted—by the way, that bill is still in review in OMB so it has not been submitted to Congress. But the mainstay of it, as I understand it, will be a $25 decal that will have to be on the windshield, or elsewhere, on every boat, that fits two requirements. One, it is required to be numbered by the State in question—New Jersey, in your case—and, two, that it operates on the navigable waters of the United States.

And that applies also to the gentleman from Tennessee because most of the rivers up there would be navigable. So yes, we support it; it has some other provisions to it as well.

Mr. PALLONE. Well, the problem that we have—and this is why there is so much opposition to it, including my opposition—is that the money does not come back to the recreational boater.

My second question is—to what extent is the recreational boater going to benefit from it?

Admiral YOST. Well, we provide to the recreational boater, to the boating community, including the recreational boater, a number of services. Communications, aids to navigation—those kinds of things—marine broadcasts, and that comes up to $200 million or $300 million a year to the recreational boating community.

Now whether an individual recreational boater tunes into this, or uses the aids to navigation, or ever calls on us for search and rescue is problematical, but overall, he or his colleagues will use far more than that in our services this year.

Mr. PALLONE. But the bottom line, then, is that we are not talking about any new services or any new programs that are going to benefit recreational boaters. Whatever money came in from that fee would be used basically to offset the functions that the Coast Guard already performs?

Admiral YOST. We are trying to accommodate a large Coast Guard budget under a deficit situation in this country. That is what it is for.

Mr. PALLONE. Thank you, Mr. Chairman.

Mr. TAUZIN. I thank the gentleman, and, you know, the Chair and I share a common concern here. Admiral, why are we going to kick this dead horse again another year?

You can I think read our lips on this one very clearly. It is very doubtful this committee will support a request for these new taxes on boat owners in America.

The question I have is which of these user fees can you and will you impose, because you do not need congressional authorization for them?

Admiral YOST. We have very little support for this particular piece of legislation in this committee.

Mr. TAUZIN. No kidding.

Admiral YOST. And I do not see that that has changed.

Mr. TAUZIN. You could not find an author, as I recall, last year. [Laughter.]

Admiral YOST. Congressman Silvio Conte has enjoyed every year presenting the bill in yellow oil slicker and yachting caps, and what have you.

Mr. TAUZIN. But he is not on this committee, Admiral.

Admiral YOST. I think that such a bill is perhaps more acceptable to our Appropriations Committee which is wrestling with how do we get the Coast Guard this money, than it is to our Authorization Committee.

I am supporting it because my Appropriations Committee side tells me: "Admiral, you have got to do something, you have got to somehow show us that you are producing some of this money that you are asking us for. We are having a lot of trouble funding your budget."

So they got my attention. That is kind of why we are submitting it.

Mr. TAUZIN. Yes, but you still have not answered the question that I need answered today, and that is, which of these direct fees is the Coast Guard legally authorized to charge, without any additional congressional authorization? And which do you intend to impose?

Admiral YOST. Well, we intend to continue to impose collecting for yacht documentation. That is about $2.2 million annually. These fees do come directly back into the Coast Guard, and they do not go into the General Treasury.

Mr. TAUZIN. Is there an increase there?

Admiral YOST. No. Let's see. We are going to increase those fees, and we may increase the yearly fees as well, charge them yearly fees when they come back for renewals as well, to give us another $4.7 million. So that would be a total of $2.2 million plus new fees of $4.7 million. We do not need legislation to do that.

Mr. TAUZIN. Right.

Admiral YOST. The increase in charges, however, do reflect the current costs, and the Act—we have an Act that gives us authority to collect an annual fee of $1 from approximately 16 million U.S. boats and vessels.

And the gentleman from New Jersey may be interested in that piece of legislation. This Act will require the States, as they number the vessels, to collect an annual fee of a dollar for the Federal Government. I think the Act will provide that they may keep 50 cents of it, and forward 50 cents to the Federal Government, which will provide—I do not know—another few million dollars.

Mr. TAUZIN. Well, I am confused a bit here, Admiral. Is that a new initiative, or is it currently on the books, which you intend to enforce?

Admiral YOST. That is the Ship Mortgage Act, and that Act has passed. Am I correct? That Act has passed the last Congress.

Mr. TAUZIN. So that you intend to implement that dollar charge?

Admiral YOST. That dollar we will implement this year. We are putting out regulations now and working with the States;however, some may not be as enthusiastic as others to collect that dollar, and send part of it to Washington.

Mr. TAUZIN. Any other fees that you intend to impose that are currently authorized?

Admiral YOST. We can recover about $4 million from mariner documents and license. We will do that, and I think that is about it. There may be a few others, but that is the heart of it.

Mr. TAUZIN. I would appreciate very much if you would provide, for the record, a detailed answer to that question, that we might see exactly where fees that are in this list are currently authorized, and will be increased under your proposal this year.

Admiral YOST. I will do that.

[The information of Admiral Yost in the interest of clarity, provided the following information.]

CURRENTLY AUTHORIZED FEES

Proposed authority: Our legislative proposal, which is currently in the clearance process, would recover a total of $180 million annually. An estimated $153 million would be recovered by charging a $25 annual fee for U.S. vessels (a vessel documented by the U.S. or numbered or titled by a State) and ALL barges (irrespective of

whether documented) which operate on navigable waters of the United States. In addition, $27 million would be collected by charging for vessel inspections and for the licenses and documents issued to marine personnel. The proposal includes a provision to remove the existing prohibitions on charging for these fees, which are contained in section 2110 of title 46.

Existing Authority: Under the authority of Public Law 100-710, Codification of the Ship Mortgage Act, new fees will be charged for the documentation of commercial vessels. Additionally, fees for the documentation of yachts will be increased. A Notice of Proposed Rulemaking is being developed to implement the collection of about $10 million for these documentation services in Fiscal Year 1990. Documentation fees will be based on the cost of the documents plus five renewals. The consumer will pay an initial fee with no charge for renewals.

Public Law 100-710 also provided for the collection of a fee of up to $1 from the owner of each vessel of the United States for the purpose of maintaining a vessel identification system. If a State performs the collection function, it may retain up to one-half of the amount collected. This system will be gradually implemented, contingent on the availability of data. It is anticipated that a total of approximately $10 million will be collected annually when the system is fully implemented.

CHARLESTON, S.C., AIR STATION

Mr. TAUZIN. Admiral, in last year's authorization bill, the Senate included a provision requiring a search-and-rescue air station in Charleston, South Carolina. What is the status of that project, and what is your current timetable for getting the congressional mandate implemented?

Admiral YOST. The site survey to determine the location of the air station was completed in mid-December, this past December. The planning proposal is undergoing an accelerated review in Washington, and I expect that will be approved by the end of March, this current month.

We hope that the permanent facilities will be in place shortly, but if they are not in place by 01 October, we will commence operations with an interim facility by 01 October 1990. We will add two helicopters to our station in Savannah, and deploy those helicopters, one at a time, to Charleston.

EMERGENCY EVACUATION PLANS FOR OFFSHORE DRILLING INSTALLATIONS

Mr. TAUZIN. The Admiral I am sure is aware, that since 1983, I have been actively pursuing implementation of emergency evacuation plans for offshore drilling installations.

I will not recount the legislative history, but I apparently must ask the question, when will those regulations be published? When will we see them?

Admiral YOST. Let me say on that question, I have with me my Vice Commandant who has been involved deeply in these programs for some time, and I am going to punt—if you will allow me—because he will be able to handle it much better than I, sir. Admiral Clyde Lusk.

Mr. TAUZIN. Admiral Lusk.

Admiral LUSK. Thank you, Mr. Chairman. There is hope. Certainly I know you have expected the rule to be published a long time ago, sir, but we now have the final rules in clearance. They are in clearance within the Coast Guard. We expect them to go to

the Secretary's office this month, and, with luck, we will have them out and in place before the hurricane season, which I think everyone desires.

Mr. TAUZIN. Now you of course know my continuing interest in making sure that we do not enter another hurricane season without those plans in effect, and my understanding is that the plans will require the companies to submit evacuation plans which must then be reviewed by the Coast Guard. So there is a time element here that the Chair is very conscious of, and I hope, Admiral, that the Coast Guard is equally conscious of here.

Admiral LUSK. We are, sir, and we are trying.

Mr. TAUZIN. That we do not delay any longer than we have on this issue.

Admiral LUSK. We are trying to make every arrangement to get it accelerated through both DOT and through OMB, sir.

HH-65 ENGINES

Mr. TAUZIN. I want to focus, for a second, on the problems with the engines in the HH-65 short-range recovery helicopters. I understand that during the oil spill in Hawaii, which was mentioned here by Mr. Goss, that we had trouble getting some of the aircraft to fly again. Is that true?

Admiral YOST. It is true. But the engines, which we have major problems with, were not the problem in that case. Two helicopters were grounded. One because the avionics were out for a night flight. The other one because we had to do a test flight in the aircraft, and we do test flights only in the day-time.

Now let me tell you, Mr. Chairman, that when you do a night flight on an oil spill, you do not accomplish very much, and I do not know why anybody would want to fly at night over an oil spill when you cannot see anything. So this is basically a "red herring." The two aircraft were not able to fly that night. Big deal. They both flew the next morning when we needed them.

Mr. TAUZIN. Well, we both know, of course, however, that we have a serious problem with those engines. Have you yet come to a conclusion as to whether we ought to get a fix for the engine from the manufacturer, or whether we should find a replacement?

Admiral YOST. I have come to the conclusion that we have major problems with this Lycoming engine. Problems that may not be fixable. The jury is not in on that. But the jury is in enough to know that we are facing a situation that we may not be able to mature that engine. With that possibility in front of us, we must now pursue an alternate path of engineering that airplane.

Now there happens to be an Army engine, a T-800 engine that the Army is proposing that we try out on this helicopter. We are going to do that. We are moving now to sign an agreement with the Army to put those engines on up to three of our helicopters, and give it a try. It is a very long process, and it is not going to mean that I can re-engine these helicopters next year. In fact, it will probably be 3 years before I know if this new engine is going to be better than the Lycoming I have got on it.

Mr. TAUZIN. It is an experimental engine, is it not?

Admiral YOST. It is an experimental engine, as the Lycoming was, and there was our mistake. We should never, never have gotten an experimental engine.

Mr. TAUZIN. Well, are you going to make the same mistake again is the concern here?

Admiral YOST. Now we find that the only engine that will fit on this bird, that will do the job, is another experimental engine, and that does not give me a great deal of satisfaction, to go from one paper engine to another paper engine. Except the engine I have now, I have got grave doubts that I am ever going to make it work. The Army engine, because I do not know as much about it, my doubts are not as grave.

Mr. TAUZIN. I want to come back in a minute and talk about the drug war, Admiral, but before that, I want to yield to the Chairman of the full committee who has a few more questions. Chairman Jones.

ZERO TOLERANCE

Mr. JONES. Admiral, as I am sure you know, we in the Congress modified the Administration's zero tolerance policy in the 1988 Drug Bill. A portion of that bill directed the Secretaries of the Treasury and Transportation to issue regulations implementing an expedited procedure for vessels seized under zero tolerance.

Where are these regulations, if you know?

Admiral YOST. The regulations are, for all intents and purposes, promulgated, and I say that because we have put out a press release laying out the regulation and how it is going to be accomplished.

So we have, in effect, now the new policy that reflects the law. In other words, we could not get the regulations out at the time the law required. So because we could not get the regulations out, we did it with a press release, and we are enforcing the law. They are effective right now.

And I think, sir, that that has not badly damaged our zero tolerance policy. I think we still have a tough policy. I think it is effective. I think it is good law. I support it, and it is working.

Mr. JONES. Admiral, aren't you referring to the seizure procedure rather than the implementation of the law? Or are you?

Admiral YOST. Maybe so. The what procedure, sir? The seizure procedure? I am.

Mr. JONES. Yes.

Admiral YOST. The implementation of the seizure end of that law. I thought that was the main thrust of the law. We are not seizing commercial fishing vessels. Instead, we are giving them a summons, which is what I think you intended with that law, sir.

Mr. JONES. Well, I think what I am concerned about is the Administration interpreting correctly, and properly, the congressional intent on zero tolerance.

Admiral YOST. Let me furnish to you, for the record, the public information thing we have out to the fishing community, telling them exactly what we are doing. I think you will find it is in consonance with the intent of the law.

Mr. JONES. All right, sir.

[The information can be found at the end of the hearing.]

Admiral YOST. If it is not, I am going to have a very embarrassed look on my face, Mr. Chairman. I had every intent that it would reflect the intent of the law.

Mr. JONES. Thank you. And finally, you should know that we are very disturbed by the press reports that Customs is drafting proposed regulations in a way contrary to Congress's legislative history, and many Members of this Committee today are writing to the President expressing our concern.

Admiral YOST. Concern over the way that Customs is interpreting that law? Is that what you said?

Mr. JONES. Yes.

Admiral YOST. I did not know that there was a concern there, sir. I would hope that maybe I could get a copy of the letter, at some point, to the President, from you instead of from him.

Mr. JONES. Thank you, Admiral.

Mr. TAUZIN. I thank the Chairman. Let me reiterate, that there is a grave concern that Customs may be wishing to promulgate regulations in a somewhat contradictory fashion, and we will be glad to make you aware of those concerns, Admiral.

Admiral YOST. Let me ask my Vice Commandant, who is following that very closely, to follow up on that..

Mr. TAUZIN. Admiral Lusk.

Admiral LUSK. Thank you, Mr. Chairman. Certainly when the ADAA was passed there were several requirements for promulgations to provide accommodations for fishing vessels. The only one that the Coast Guard is really closely concerned with is the issue that the Commandant has already spoken about the one we have put out.

Now I believe there may well be some concern about the—oh, call it a "laundry list," I believe that was the expression that was used—that some think might accompany the regulations that are being put out by Customs and by the Department of Justice.

We are given every hope that that will not be the case, sir, but we are not really directly involved in that. That may well be the part of the issue that you are particularly concerned with right now.

There is, however, another area—call it a loophole, or something—that we are worried about. As you know, the ADAA did make an accommodation for fishing vessels and came up with an expedited procedure, for a summons in lieu of a seizure.

Mr. TAUZIN. Yes.

Admiral LUSK. And that has worked out pretty well. We all know that the common carrier exception does provide a certain latitude for a lot of other vessels that were not specifically mentioned in the ADAA. But it does seem as though there is another category of vessels and these would be commercial towing vessels that may not be common carriers, or the ones that are not common carriers.

They seem to have fallen through the crack, and we did have a seizure of a commercial carrier down somewhere in our, I believe our 8th or maybe our 2nd District, and that caused a bit of concern.

The Towing Safety Advisory Committee is meeting in Washington today, and I believe that is one of the items on their agenda. So they are rather forcibly bringing to our attention, and to Customs' attention, a problem, and we are trying to hope we can accommodate that, sir.

Mr. TAUZIN. Well, we will communicate with you regarding our concerns, Admiral.

Admiral YOST. Thank you.

DECOMMISSIONED NUCLEAR POWER PLANTS ON VESSELS

Mr. TAUZIN. A couple of other questions. Admiral, in a matter of days, the first de-commissioned nuclear power plant aboard an ocean-going barge will be approaching the mouth of the Mississippi River, coincidentally, in the 3rd Congressional District of Louisiana, and will be traveling up the river.

I am concerned a bit about the role the Coast Guard will have in regulating this water-borne transportation of these de-commissioned plants.

Are you prepared, now, to monitor that voyage, and, indeed, to ensure that there are safeguards, and are you prepared with sufficient regulations or changes to deal with it?

Admiral LUSK. Yes, sir. We are. We feel very comfortable that we have a good handle on that. We have the oversight role for vessel safety as well as navigation safety. That shipment is going to be monitored during the entire voyage. It is going to be one where both the Department of Energy and the Department of Transportation, acting through us, will be involved.

Mr. TAUZIN. We will be watching that with you, and hopefully we can get some constant reports with you on it because I would hate to see the lights of New Orleans somehow diminished by lights on the river.

Admiral LUSK. I still own my house down there, too, sir.

PATROL BOAT SHORTFALL EFFECT ON MISSIONS

Mr. TAUZIN. That is right. Now, quickly on the drug issue.

Will the Commandant consider a decline in other missions occasioned by the shortfall in patrol boats? A decline in missions which is violative of the provisions of the Omnibus Drug Act, that the Coast Guard should not be increasing its drug interdiction programs at the expense of other missions?

Admiral YOST. Well, the Commandant is going to be very concerned about all the missions. I do have a law that tells me not to walk anything out of one mission to put it in another. So, if we have a patrol boat deficit—which I said we are going to have—I am going to have to divide that deficit between all of the missions in an equitable way, and in a way that complies with the law. I will do that.

Mr. TAUZIN. Well, the concern the Chair has is that if it is clear, both you and I agree, that the shortfall begins next year, and we begin having difficulties in performing the search-and-rescue mission which has saved our Republican colleague; the mission in law enforcement that enforces the environmental and fisheries laws of this Nation; the concerns raised by the former Chairman regarding

the Canadian problem, the Georges Bank; all our concerns in regard to the full operations of the Coast Guard's prime missions before drug interdiction—if all of those are going to suffer beginning next year because of a shortfall in patrol boats, and the Coast Guard is recommending increases in its budget for drug interdiction, it seems to me we get a picture of something emerging here, a shifting, whether we wanted it or not, of mission capabilities.

Such a shifting appears to be contrary to the clear intent of the Congress in the Omnibus Drug Act. And I suppose as we go about approving authorizations this year, one of our big concerns is that we not approve authorizations that lead us into that quagmire, that almost predict we are going to be cutting back the other missions, contrary to congressional intent, in order to fulfill the new drug interdiction mission.

Are you equally concerned, as I am, that we are entering this kind of a posture?

Admiral YOST. I am equally concerned, but I do not think that I see it in exactly the way you do. We have got a number of new patrol boats that were funded from a number of appropriations.

A good number of them were funded from the defense appropriation, and yet, when I tried to take those patrol boats and send them to the Persian Gulf, this Congress went up in arms and said, no, they wanted those patrol boats to be used in drug interdiction and not in defense.

I have a number of patrol boats that were funded out of the drug appropriation, and there may be Members of this Congress who feel that since they came out of the drug appropriations that is where they ought to be used.

And as I lose the old patrol boats and have only the new ones available, and they were funded not for search and rescue, and not for fisheries, but specifically for defense and for drug interdiction, it may be very difficult for me to allocate those patrol boats in a way that you would like to see, Mr. Chairman.

Mr. TAUZIN. Admiral, we are going to conclude this hearing now at the request of the Chairman, but with this one word. I think it is appropriate, Mr. Chairman, Admiral, that we have one additional hearing before we go up to full mark-up on the Authorization Bill, and that is a hearing to more precisely look at the role of the Coast Guard in this new drug interdiction program vis-a-vis the role of the DOD; to look, indeed, at the icebreaker situation as that has changed your allocation of resources over the last 20 years; and whether or not, for example, Aerostat, and other surveillance and detection assets in the war on drugs ought not be funded by DOD.

I think a hearing precisely to center on that issue would be very, very helpful, Mr. Chairman, and I intend to call that hearing.

Admiral, we will have follow-up questions we will submit for the record. We would ask you to respond.

We want to thank you and your contingent of officers for being with us today, and reiterate what we said at the beginning. We are proud of the work you do, and you have an ally and friend in this Chairman, in this committee, as you go about fulfilling the extraordinary mission you perform for this Nation. Thank you very much, Admiral. This hearing is adjourned.

97-144 - 89 - 4

[Whereupon, at 12:01 p.m., the Subcommittee was adjourned, subject to the call of the Chair.]

[The following was submitted for the record.]

ONE HUNDRED FIRST CONGRESS

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MINORITY CHIEF COUNSEL
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U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515-6230

March 2, 1989

BACKGROUND MEMORANDUM

TO: Members, Subcommittee on Coast Guard & Navigation

FROM: Subcommittee staff

On Thursday, March 9, 1989, the Subcommittee on Coast Guard and Navigation will hold a hearing on:

I. the Administration's FY 1990 proposal for the United States Coast Guard budget;

II. legislative initiatives which the Coast Guard has requested be included in its FY 1990 authorizing legislation; and

III. a separate legislative proposal to transfer the administration of bridges over U.S. navigable waters.

The hearing will be in the Merchant Marine and Fisheries Committee hearing room, 1334 Longworth Building, at 10:00 a.m. The only witness to testify at the hearing is Admiral Paul A. Yost, Jr., Commandant of the U.S. Coast Guard. He will be accompanied by Rear Admiral A. Bruce Beran, Chief of Staff; Captain Kenneth W. Thompson, Chief of the Program Division; and Captain J. David Spade, Chief of the Budget Division.

[NOTE: Major parts of this memorandum were prepared using information and other documents provided by the Administration and the Coast Guard. The Coast Guard's draft proposals for the authorization bill and separate legislative initiatives discussed in Parts II & III were not available and had not been provided to the Subcommittee as of press date. Some minor differences in figures may result.]

PART I. -- FY 1990 BUDGET REQUEST

Background

In its budget submission for Fiscal Year 1990, the Reagan Administration requested budget authority of $3,459,200,000 for Coast Guard operations and acquisitions, an increase of $357,100,000 over the Fiscal Year 1989 appropriation. In a February 9, 1989 address on the budget, President Bush

requested an additional $10,000,000 over what President Reagan requested to enhance the Coast Guard's drug interdiction operations.

The largest segment of the proposed budget is for operating expenses, including salaries, and the operation and maintenance of vessels, aircraft, and bases. The Reagan Administration requested operating funds totaling $2,242,200,000, an increase of $119.8 million over the Fiscal Year 1989 appropriation. Over half of this increase is due to built-in changes, such as cost of living adjustments and the pay raise instituted in Fiscal Year 1989. The remaining increase, including the $10,000,000 requested on February 9 by President Bush, is principally needed to operate new facilities and ships, to expand operations to meet added mission requirements (particularly in the area of drug interdiction), and to cover escalating operating and maintenance costs of capital equipment.

The budget request includes $682.3 million for acquisition, construction and improvements of vessels, aircraft, shore facilities and aids to navigation. This represents an increase of $246.5 million over the amount appropriated for FY 1989.

The Administration will not request funds for bridge alterations, contingent upon enactment of legislation, which the Administration seeks and the Committee expects to act upon, to transfer this responsibility to the U.S. Army Corps of Engineers to eliminate duplicative regulatory responsibility in this area. (See discussion of this item in Part III of this memorandum.)

The Administration request of $420.8 million for retired pay is an increase of $10 million over the Fiscal Year 1989 appropriation. The additional cost is largely attributable to planned new retirements and increases in the medical benefit program.

For reserve training, the Administration requests $73.8 million, a $6.8 million increase over the $67 million appropriated in FY 1989. This increase is needed to support an incremental addition of 850 reservists in FY 1990, in accordance with the 10-year program to bring selected reserve strength up to 95 percent of highest priority mobilization requirements.

The Administration requests $19 million for research and development, test and evaluation. The FY 1989 appropriation was $18.8 million.

For state-operated boating safety programs, the Administration requests $15 million, half the amount appropriated in the last fiscal year.

The Administration also proposes so-called user fees estimated to generate $180 million annually. The fee proposals include processing fees for inspections and other specific

services (to raise $30 million), and a general fee of $25 (to raise $150 million) to be imposed upon recreational and commercial boaters who use U.S. waterways.

OPERATING EXPENSES

Operating expenses represent almost two-thirds of the Coast Guard budget. Search and rescue operations and law enforcement (including drug interdiction, the fastest growing segment of the operating budget) will continue to account for the major portion of operating expenses. Assuming full funding of the Administration's budget request, the Coast Guard estimates that operating expense funds will be allocated among its various missions as follows:

Search and rescue	$461,477,000
Aids to navigation	$437,571,000
Marine safety	$129,935,000
Marine environmental protection	$158,199,000
Enforcement of laws and treaties	$730,050,000
Ice operations	$ 81,318,000
Defense readiness	$108,837,000
Headquarters administration	$134,813,000
Other (reimbursable program)	$ 53,011,000

ACQUISITION, CONSTRUCTION AND IMPROVEMENTS

The Administration's budget request includes $682,300,000 for acquisition, construction, and improvement (AC&I) of vessels, aircraft, shore facilities, and aids to navigation. AC&I projects are those where estimated costs are $200,000 or more and where the project involves either new construction or renewal of at least 75 percent of the original facility. AC&I projects are generally grouped into three categories -- vessels, aircraft, and shore facilities. Below are listed some of the major projects in each of these categories.

Vessels

The FY 1990 request represents an increase of $246,500,000 over the amount appropriated for Fiscal Year 1989, most of which ($244,000,000) is intended for construction of a polar icebreaker. Since the recent decommissioning of the two "Wind Class" icebreakers, the U.S. has only two remaining polar icebreakers. Government studies have identified a need for at least four polar icebreakers to meet the minimum icebreaking missions. The Coast Guard also has requested authority to examine and enter into a lease for a replacement polar icebreaker. The Office of Management and Budget has directed the Coast Guard to conduct a cost comparison to determine which option, direct purchase or long-term lease, would be most beneficial. Regardless of which option is approved, the level of

budget authority contained in the Administration's request will be necessary, although even that request may be understated. Under present law, the total budget authority for an icebreaker must be authorized up front, although outlays from year to year would be greatly reduced by a lease or charter arrangement. The large sum requested for construction of the polar icebreaker represents only the tip of the iceberg for the Coast Guard's near-term shipbuilding needs.

In addition, funds are requested to continue a multi-year plan started in FY 1988 to replace the aging fleet of 44-foot motor life boats (MLB). A total of $5,800,000 is requested for prototype testing and design modifications and execution of a contract option for five pre-construction boats. Eventually, one hundred MLBs must be constructed in addition to the prototype and pre-construction boats.

Funds are also requested to continue a project begun in FY 1989 to replace the existing oceangoing buoy tender (WLB) fleet. These vessels serve the coastal and offshore Aids to Navigation system where small units cannot work. Most of the existing WLB's are over forty years old, have undergone extensive service life extension or major renovation, and will reach the end of their service life between 1989 and 1994. A total $3,200,000 is requested to continue development of competing designs among shipbuilder/naval architectural firms.

The FY 1990 budget request does not include additional funding for replacement of the rapidly aging patrol boat fleet, although final design and construction is to begin next year on a prototype of a new 118-foot Heritage Class patrol boat. Without additional funding for patrol boat acquisition in FY 1990, it is anticipated that within five years the Coast Guard will face a shortfall, perhaps as high as 30 percent, in the number of patrol boats needed to meet minimum mission requirements.

The Coast Guard has determined that it needs a minimum of 96 patrol boats to meet its mission requirements. The Coast Guard is in the process of retiring its aging fleet of 95-foot and 82-foot patrol boats. Thirty-seven high-speed, 110-foot Island Class patrol boats have been contracted for, using Department of Defense funding transfers and direct purchases, as part of the government's anti-drug war. A total of twenty-eight Island Class cutters have been delivered to date, and another 9 vessels are under construction. Although an option (at fixed, 1987 price) exists for another sixteen Island Class vessels, the FY 1990 budget does not request funds to exercise that option. Assuming the Coast Guard's plans to design, build, test and modify the prototype, and to bid and construct the Heritage Class patrol boat follows the projected schedule without delay, a shortfall of up to 28 vessels can be expected by 1996.

An additional $97,000,000 is requested to continue the Fleet Rehabilitation and Modernization (FRAM) program for the Coast Guard's twelve 378-foot high endurance cutters. The FRAM program is suffering from extended schedule delays and

significant cost overruns. The program is intended to modernize and standardize the engineering plant and other existing equipment and to enhance capability in communications, defense data acquisition, undersea detection, and electronic support measures. Another $10,000,000 is requested for an ongoing program to modernize the weapons systems aboard these cutters.

Funds are also requested to continue major renovation of the 210-foot medium endurance cutters ($8,000,000) and the 180-foot oceangoing buoy tenders ($3,200,000).

A total of $2,600,000 is requested to begin a phased acquisition of replacement shipboard boats -- the 26-foot Motor Surf Boat (MSB) and the 6-meter Rigid Hull Inflatable Boat (RHIB) -- on all cutters 180 feet in length or greater.

Aircraft

To purchase and additional eight (of a total buy of thirty-two) HH-60 Medium Range Recovery (MRR) helicopters, a flight simulator and other related equipment and support services, the Coast Guard requests $132,000,000. This is the fourth (and final phase) of a procurement program which began in 1986, although an option does exist to purchase four more aircraft at a fixed price.

Funds totaling $18,100,000 are requested to purchase spare parts for the HH-65 Short Range Recovery (SRR) helicopter. The aircraft has fallen short of its programmed availability, in part because of supply problems. The engine which powers the aircraft has experienced design and performance problems which exacerbate the spare part supply problems; $10,200,000 is requested to procure modifications to the engines.

A total of $8,100,000 is requested for law enforcement electronic gear, spare parts and support in the first phase of a multi-year contract to reliably operate and maintain two HU-25 (Falcon) aircraft Aireye and Active Gated Television systems. The acquisition will significantly improve the HU-25 aircraft's search/surveillance, classification and identification capabilities in support of law enforcement, defense operations, search and rescue, and marine environmental protection programs. A $25,000,000 request is made for an inventory of government furnished parts for the ATF-3 engines installed on the HU-25 aircraft. In addition, $1,600,000 is requested to identify and engineer improvements to the ATF-3 engine.

To complete a multi-year procurement of surface search radars for the HC-130 aircraft and to maintain them, $4,900,000 is requested.

The TALON System is a passive restraining system for helicopters on flight deck-equipped cutters; $7,100,000 is requested to install TALON for use with the HH-65 helicopter.

Shore Facilities

A total of $2,500,000 is requested for installing two Local User Terminals (LUTs) in Honolulu, Hawaii and San Juan, Puerto Rico, to support the worldwide Search and Rescue Satellite (SARSAT) system. Adding these terminals will increase coverage in the Pacific from fifty percent to ninety percent and in the Atlantic from eighty percent to ninety-five percent.

A request for $8,100,000 for various shoreside construction projects at various locations to improve operational efficiency and effectiveness.

A $1,000,000 request is made for continuation of a service-wide program to bring all Coast Guard petroleum and regulated substances storage tanks into compliance with the Resource Conservation and Recovery Act (RCRA).

$5,100,000 is requested to modify and expand Coast Guard Air Stations in Miami and Clearwater, Florida to support new aircraft used in drug interdiction efforts.

$1,200,000 is requested to consolidate operations in Seattle, WA. $3,200,000 is requested to construct new medical/dental facilities at the Coast Guard Support Center in Elizabeth City, N.C. $2,400,000 is requested to replace the existing water pipeline between the City of Petaluma and the Coast Guard Training Center in Petaluma, CA.

$3,400,000 is needed to arrest and stabilize beach erosion at Training Center Cape May, N.J. The project is a cooperative effort with the U.S. Army Corps of Engineers. $7,600,000 is requested to continue provision of housing in certain duty areas in the U.S. and overseas where the private housing supply is insufficient or inadequate.

Numerous other projects are specifically requested. In total, the budget requests $59.7 million for construction and repair of facilities. Survey and design work for various future projects is expected to cost $4,900,000, and $26,200,000 is requested for planning, contracting, provisioning, inspection and associated expenses related to AC&I projects.

PART II. -- LEGISLATIVE INITIATIVES

Although final approval of draft authorization legislation has not been granted within the Administration, the Coast Guard is expected to request specific legislative initiatives be included in the FY 1990 authorization bill.

Under present law, the Coast Guard may not enter into a long-term lease to acquire replacement icebreaker capacity. Specific authority is requested to lease replacement icebreaker capacity, if the Secretary determines it is in the best interest of the U.S., and under terms and conditions set by the Secretary. Authority is expected to be requested to contract for maintenance and/or operating services.

Several changes will be sought concerning the appointment and promotion of officers. One provision would provide for continuity in rank for a vice admiral appointed to another position of vice admiral or admiral; this provision is principally intended to prevent a temporary reduction in pay or rank for a vice admiral who is appointed Commandant of the Coast Guard.

In addition, legislation will be requested to make the appointment of lieutenant (junior grade) and lieutenant presidential appointments not requiring Senate advice and consent; this provision would make appointment of Coast Guard officers of these ranks consistent with other armed services.

Legislative clarification will be sought regarding the transfer of authority from the Secretary of Transportation to the Secretary of the Navy during times when the Coast Guard operates as a service in the Navy.

Legislative authority will be sought to increase from twenty-five percent to fifty percent, the number of officers, with three or more years of service in that rank of captain (O-6), which the Commandant may recommend for retirement in any one year.

Authority will be sought to conform Coast Guard procedures for the involuntary retirement of enlisted personnel with twenty or more years of service to those procedures used by the Department of Defense.

PART III. -- TRANSFER OF BRIDGE ADMINISTRATION

Status

The Bush Administration is developing legislation to transfer the Bridge Administration program from the Coast Guard to the Army Corps of Engineers. The threefold purpose of the proposed transfer is to 1) simplify bridge administration for both the Government and the public, 2) eliminate the existing duplicative process, and 3) place the administration of all waterway construction-related projects within one agency.

Coast Guard personnel have informed the Subcommittee staff that the Bush Administration's bill will be nearly identical to H.R. 4558, the "Bridge Administration Transfer Act," which was introduced by Messrs. Jones, Hutto, Davis, Anderson, Hammerschmidt, Novak, and Stangeland on May 10, 1988. H.R. 4558 was reported by the Committee on September 23, 1988 (H. Report 100-966, Pt. 1), and passed the House on September 30, 1988, as part of the Water Resources Development Act of 1988, H.R. 5247. The provisions of H.R. 4558 were stripped from the Water Resources bill in Conference because of opposition from the Senate Commerce Committee.

The overlap of the Coast Guard and the Corps of Engineers authority to regulate a bridge or causeway over the navigable waters of the United States is obvious under current law. Both agencies are responsible for maintaining free navigation of the Nation's waterways by regulating the planning, construction, and alteration of bridges and causeways over navigable waters. The Coast Guard is required to ensure that a bridge or causeway structure does not "unreasonably obstruct the free navigation of the waters" while striving to impose conditions that are "necessary in the interest of public navigation." The Corps of Engineers has the corresponding role of preventing "any obstruction ... to the navigable capacity of any of the water of the United States," with the dual responsibility of regulating waterborne structures, i.e., piers, wharves, bulkheads, flood control facilities, and other water resources development functions.

BACKGROUND

U.S. Army Corps of Engineers

The Corps of Engineers can trace its involvement in water resources back to 1824, when legislation authorizing surveys for roads and canals for commercial or military use specifically provided for the President to use officers of the Corps of Engineers. In 1888, the Rivers and Harbors Act gave the Secretary of War the power to regulate bridges that cross navigable waters of the United States and to require bridge owners to modify obstructive bridges at their own expense. Amendments to the Rivers and Harbors Act in 1890 established a permit program for bridges and authorized the Corps of Engineers to regulate structures that extend completely across a waterway, such as flood control devices (dams and dikes).

Initially, the Corps of Engineers' principal mission revolved around maintaining navigation on the Nation's inland waterways. The authority for Federal maintenance of the functions originates with the Constitutional power of Congress to regulate interstate and foreign commerce or to tax and spend for the general welfare -- powers that have been further defined by U.S. Supreme Court decisions. Numerous legislative enactments over the last 150 years have expanded the responsibilities of the Corps of Engineers. Subsequent enactments include the Act of August 18, 1894; the Bridge Act of 1906; the "Truman-Hobbs Act" of 1940; the General Bridge Act of 1946; and the International Bridge Act of 1972.

Recent environmental legislation has enlarged the Corps of Engineers' role, so that it must now consider the full public interest for both the protection and utilization of water resources. Pertinent legislation includes Section 404 of the Clean Water Act, which established a Corps of Engineers permit program for the discharge of any dredged or fill material into waters of the United States (most bridges and all causeways have some fill material associated with their construction), and

Section 103 of the Marine Protection, Research and Sanctuaries Act, which authorized the issuance of permits for the transportation and disposal of dredged material into ocean waters. Additionally, the 1970 National Environmental Policy Act requires that an environmental impact statement (EIS) be prepared for all proposed legislation and all major Federal actions that could significantly affect the quality of the human environment. A number of other laws may affect the permit process. These include, but are not limited to, the Coastal Zone Management Act, the Fish and Wildlife Coordination Act, the Endangered Species Act, and the Marine Mammal Protection Act.

U.S. Coast Guard

The Department of Transportation (DOT) Act of 1966 (Public Law 89-670) proposed locating all transportation-related functions within a new department. When DOT became functional in April of 1967, the Coast Guard was moved from the Treasury Department along with several functions of the Corps of Engineers concerned with regulating the construction of bridges and causeways to the newly formed DOT. Responsibility for regulating the construction of all other structures in or over navigable waters, and for dredge and fill operations conducted in navigable waters, remained with the Corps of Engineers.

Over the last twenty years, the Coast Guard has carried out the duties of the bridge administration program and the functional division of responsibility between the Coast Guard and the Corps of Engineers was initially quite effective. However, recent environmental legislation has created an overlap of responsibility between the two agencies so that bridge and causeway construction now involves permitting action by both agencies before construction can begin. This division of responsibility has created a process that is unnecessarily cumbersome for the applicant as well as administratively inefficient for the Government.

Analysis of the proposal

Under the Bush Administration's proposal, the legal authority for bridge administration would be transferred from the Secretary of Transportation to the Secretary of the Army, with some exceptions. First, the Coast Guard would retain authority to prescribe lights and other signals on bridges and causeways for the benefit of navigation as required under the Inland Navigational rules. Second, the Saint Lawrence Seaway Development Corporation would maintain administration of bridges over the Saint Lawrence Seaway. Finally, the Federal Highway Administration and the Federal Railroad Administration would retain authority to approve international bridge crossings over non-navigable waters. For Coast Guard permitting purposes, a navigable waterway is defined as any waterway that is subject to the ebb and flow of the tide or any waterway that is presently

used or is susceptible to use in its natural condition, or by reasonable improvement, as a means to transport interstate or foreign commerce.

Transferring the administration of the bridge statutes back to the Corps of Engineers will place the administration of all construction-related projects in the navigable waters of the United States in a single agency. This reunification should improve the overall efficiency of Government, reduce duplication of effort in issuing permits, eliminate confusion over which agency should be the lead Federal agency for the required EISs, and improve the Government's responsiveness to the public. The Corps of Engineers plans to delegate most aspects of bridge administration to its 38 district offices, and will thus be able to provide more personal, on-site contact than presently exists under the current system of 10 Coast Guard districts -- all of which require Coast Guard Headquarters review for each bridge permit application.

The Administration asserts that the proposed transfer, which requires that all navigable waterway construction permits be submitted to the Corps of Engineers, should cause negligible impact to its present work load. The Corps of Engineers issues approximately 11,000 permits and prepares approximately 25 EISs per year. The transfer of the bridge administration program will involve approximately 180 bridge and causeway permit applications and one additional EIS per year.

Limited personnel and budgetary implications are associated with this proposal, including the transfer of 55 civilian personnel billets to the Corps of Engineers, along with the budget for those personnel, at a one-time estimated relocation cost of $611,000. Upon transfer, funds otherwise allocated to the Coast Guard bridge program will be reallocated to the Corps of Engineers without a change in the amount of permanent funding.

FOR ADDITIONAL INFORMATION CONTACT:

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DEPARTMENT OF TRANSPORTATION
U.S. COAST GUARD
STATEMENT OF ADMIRAL PAUL A. YOST, JR.
ON THE FY 1990 BUDGET REQUEST
HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON COAST GUARD AND NAVIGATION
COMMITTEE ON MERCHANT MARINE AND FISHERIES
9 MARCH 1989

GOOD MORNING, MR. CHAIRMAN. I AM PLEASED TO MEET WITH YOU AND THE OTHER DISTINGUISHED MEMBERS OF THIS SUBCOMMITTEE TO REVIEW AND DISCUSS THE COAST GUARD'S FISCAL YEAR 1990 BUDGET REQUEST.

UNITED STATES COAST GUARD
AN AVERAGE DAY

- SAVED 16 LIVES
- ASSISTED 361 PEOPLE
- SAVED $ 2,500,000 IN PROPERTY
- COMPLETED 154 SEARCH AND RESCUE CASES
- RESPONDED TO 23 OIL OR HAZARDOUS CHEMICAL SPILLS
- BOARDED 43 LARGE VESSELS FOR PORT SAFETY CHECKS
- INSPECTED 64 COMMERCIAL VESSELS
- INVESTIGATED 17 MARINE ACCIDENTS
- SEIZED 3500 LBS OF MARIJUANA
- SEIZED 35 LBS OF COCAINE
- STREET VALUE OF DRUGS: $ 6,000,000
- SERVICED 150 AIDS TO NAVIGATION
- COST: ONLY $8.5 MILLION

ACCOMPANYING ME ON THIS AVERAGE COAST GUARD DAY ARE THE VICE COMMANDANT, VICE ADMIRAL CLYDE LUSK; THE CHIEF OF THE PROGRAMS DIVISION, CAPTAIN KEN THOMPSON; AND THE CHIEF OF THE BUDGET DIVISION, CAPTAIN DAVE SPADE.

MR. CHAIRMAN, CONGRATULATIONS AND WELCOME TO YOUR NEW JOB. I LOOK FORWARD TO WORKING WITH YOU IN IDENTIFYING AND OBTAINING THE FUNDS NEEDED TO ADEQUATELY SUPPORT THE COAST GUARD'S MANY MISSIONS. PRESIDENT BUSH AND SECRETARY SKINNER HAVE ASSURED ME OF THEIR STRONG SUPPORT FOR THE COAST GUARD'S FISCAL YEAR 1990

BUDGET REQUEST. AS SECRETARY SKINNER TESTIFIED, WE WANT TO WORK CLOSELY WITH YOU AGAIN SO THAT TOGETHER WE CAN KEEP THE COAST GUARD WORKING EFFECTIVELY DOING THE MANY JOBS THAT ARE SO IMPORTANT TO THE AMERICAN TAXPAYERS.

AS WE BEGIN OUR 200TH YEAR OF SERVICE, OUR MISSIONS HAVE NEVER BEEN MORE IMPORTANT TO THIS GREAT NATION. FOR TWO HUNDRED YEARS WE HAVE APPLIED, AND WE WILL CONTINUE TO APPLY, OUR BASIC MULTI-MISSION EXPERTISE TO CHANGING NATIONAL PRIORITIES. OUR PEACETIME MISSIONS ALSO GIVE US THE EXPERTISE, ASSETS, AND COMMAND-AND-CONTROL STRUCTURE ESSENTIAL TO THE CRITICAL ROLE OUR FORCES PLAY IN THE NATION'S WAR PLANS. WE ARE PROUD OF OUR SEARCH AND RESCUE MISSION THAT EARNED US THE NICKNAME "THE LIFESAVERS," AND OF THE ROLE WE HAVE PLAYED IN THE NATION'S OUTSTANDING MARITIME SAFETY RECORD. WE ENSURE THE SAFE AND

EFFICIENT FLOW OF MARITIME COMMERCE AND TRAFFIC BY MAINTAINING OUR NATION'S AIDS TO NAVIGATION SYSTEM. OUR PORT AND VESSEL SAFETY PROGRAMS ARE MODELS FOR THE WORLD'S MARITIME NATIONS. AS OPERATORS OF THE NATION'S ONLY TWO POLAR ICEBREAKERS, WE HELP PROTECT OUR NATIONAL SECURITY, AS WELL AS OUR ENVIRONMENTAL AND

SCIENTIFIC INTERESTS IN THE POLAR REGIONS. WE ENFORCE FISHERIES LAWS AND TREATIES THAT ARE ESSENTIAL TO THAT VITAL SEGMENT OF OUR ECONOMY. OUR WORK IN DRUG INTERDICTION HAS INCREASED OVER THE PAST TWO DECADES, ALONG WITH AMERICA'S RECOGNITION OF THE NEED TO CONTROL THIS MENACE. AS TRADITIONAL AND NEW SOURCES OF POLLUTION THREATEN OUR COASTAL REGIONS, OUR RESPONSIBILITIES FOR PROTECTING THE MARINE ENVIRONMENT HAVE BECOME MORE CRITICAL.

IN ADDITION TO OUR IMPORTANT STATUTORY PEACETIME FUNCTIONS, WE HAVE A SIGNIFICANT DEFENSE READINESS MISSION TO FULFIL, IN WHICH OUR ACTIVE DUTY PERSONNEL AND SELECTED RESERVES PLAY A VITAL ROLE AS PART OF THE DEPARTMENT OF THE NAVY, UPON MOBILIZATION.

OUR REQUEST FUNDS ONLY THE ESSENTIAL RESOURCES WE NEED TO MEET THESE RESPONSIBILITIES IN MARINE SAFETY, ENVIRONMENTAL PROTECTION, MARITIME LAW ENFORCEMENT, AND DEFENSE READINESS. OUR OPERATING EXPENSES (OE) APPROPRIATION REQUEST FUNDS EXISTING LEVELS OF SERVICE (EXCEPT FOR ABSORPTION OF A SIGNIFICANT PORTION OF THE FY 1989 PAY RAISE) PLUS A VERY MODEST AMOUNT FOR UPGRADES AND FOLLOW-ON OPERATIONS OF NEW HARDWARE THAT CONGRESS HAS FUNDED

IN RECENT YEARS. OUR ACQUISITION CONSTRUCTION & IMPROVEMENTS (AC&I) APPROPRIATION REQUEST PROVIDES A PROGRAM LEVEL THAT WE NEED TO SUSTAIN OUR CAPITAL PLANT. AND, OUR RESERVE TRAINING (RT) APPROPRIATION CONTINUES TO FUND OUR PLAN FOR PHASED GROWTH OF THE SELECTED RESERVE TO MEET 95 PERCENT OF OUR WARTIME RESERVE MOBILIZATION REQUIREMENTS BY SEPTEMBER 30, 1998.

WHEN YOU COMPARE OUR APPROPRIATION REQUEST LEVELS TO OUR FY 1989 BUDGET, IT APPEARS THAT THERE IS A LARGE INCREASE. BUT, ASIDE FROM THE $244 MILLION REQUESTED FOR THE REPLACEMENT POLAR ICEBREAKER, THIS BUDGET REQUEST REPRESENTS A 3.6 PERCENT INCREASE OVER OUR FY 1989 APPROPRIATION (APPROXIMATELY THE INFLATION RATE), YET OUR WORKLOAD CONTINUES TO GROW.

WE'VE DONE A GREAT DEAL TO REDUCE OUR BUDGET REQUIREMENTS OVER THE LAST DECADE. WE'VE MADE SIGNIFICANT REALLOCATIONS OF EXISTING RESOURCES TO MEET NEW PRIORITIES. WE REALIGNED OUR FIELD MANAGEMENT AND SUPPORT FUNCTIONS, FREEING UP OVER 400 STAFF PERSONNEL FOR TRANSFER TO OPERATIONAL DUTIES ON OUR SHIPS AND AIRCRAFT. BY RESTRUCTURING OUR HEADQUARTERS FUNCTIONS, WE WERE ABLE TO REDUCE 140 STAFF POSITIONS. WE REMAIN LEADERS IN FEDERAL PRODUCTIVITY EFFORTS. BUT, EVEN WITH ALL OF THESE ECONOMIZING MEASURES, THE INCREASES REQUESTED FOR FY 1990 ARE NEEDED TO KEEP UP WITH THE EXPANDED MISSIONS WHICH CONGRESS AND THE AMERICAN PEOPLE EXPECT US TO PERFORM.

BUDGET TOTALS

THE TOTAL BUDGET AUTHORITY WE ARE REQUESTING IS $3,468.9 MILLION. APPROXIMATELY 65 PERCENT, $2,252.2 MILLION (INCLUDING $30 MILLION FROM THE BOAT SAFETY ACCOUNT), IS FOR OPERATING EXPENSES. THIS APPROPRIATION FUNDS SALARIES AND ENTITLEMENTS FOR MOST OF OUR PERSONNEL, AND THE OPERATION AND MAINTENANCE OF COAST GUARD SHIPS, AIRCRAFT AND SHORE UNITS, INCLUDING FACILITIES ACQUIRED THROUGH CAPITAL INVESTMENTS IN RECENT YEARS.

WE ARE REQUESTING $682.3 MILLION TO FUND MAJOR CAPITAL IMPROVEMENTS. $244 MILLION IS FOR THE REPLACEMENT POLAR ICEBREAKER. MOST OF THE BALANCE IS FOR REPLACEMENT, RENOVATION, OR MODERNIZATION OF MULTI-MISSION FACILITIES.

WE NEED $73.8 MILLION TO FUND A SELECTED RESERVE STRENGTH OF 12,950, AN INCREASE OF 850 MEMBERS.

THE $19.0 MILLION WE ARE REQUESTING FOR RESEARCH AND DEVELOPMENT WILL FUND THE DEVELOPMENT OF TECHNIQUES, METHODS, HARDWARE AND SYSTEMS THAT WILL CONTRIBUTE ENORMOUSLY TO THE PRODUCTIVITY AND EFFECTIVENESS OF OUR OPERATING FORCES.

WE ARE REQUESTING $15 MILLION FOR BOAT SAFETY GRANTS TO STATES FOR THEIR USE IN DEVELOPING AND IMPLEMENTING A COORDINATED RECREATIONAL BOATING SAFETY PROGRAM FOR THE NATION.

THE $420.8 MILLION REQUESTED IN THE RETIRED PAY ACCOUNT FUNDS ANNUITIES AND MEDICAL ENTITLEMENTS FOR RETIRED MILITARY PERSONNEL, THEIR DEPENDENTS AND SURVIVORS.

OVERALL, OUR REQUEST SUPPORTS A LEVEL OF 38,252 MILITARY AND 5,589 CIVILIAN FULL TIME EQUIVALENTS.

OUR REQUEST DOES NOT INCLUDE THE $2.3 MILLION REQUIRED FOR THE BRIDGE ADMINISTRATION PROGRAM, ON THE ASSUMPTION THAT LEGISLATION WILL BE ENACTED TRANSFERRING THAT PROGRAM TO THE ARMY CORPS OF ENGINEERS. THE COAST GUARD HAS WORKED CLOSELY WITH THE ARMY CORPS OF ENGINEERS, AND I SUPPORT THE TRANSFER OF THIS FUNCTION.

OPERATING EXPENSES (OE)

WE ARE REQUESTING A $130 MILLION INCREASE IN OUR OPERATING EXPENSES APPROPRIATION. $50 MILLION OF THE INCREASE FUNDS BUILT-IN CHANGES SUCH AS A PORTION OF THE RECENTLY ENACTED PAY RAISE AND A 3.6% COST OF LIVING INCREASE WHICH ARE NECESSARY TO MAINTAIN OUR PRESENT LEVEL OF SERVICE IN FY 1990. THE REMAINING $80 MILLION HAS TWO COMPONENTS.

$40 MILLION IS NEEDED TO MAINTAIN AND UPGRADE SOME OF OUR CAPITAL ASSETS, AND FOR SOME BADLY NEEDED "PEOPLE" PROGRAMS. IT INCLUDES FUNDS FOR INTELLIGENCE OPERATIONS TO IMPROVE OUR LAW ENFORCEMENT CAPABILITY, FUNDING FOR OUR GROWING ENVIRONMENTAL PROTECTION PROGRAM, AND FUNDS TO HELP ELIMINATE OUR HU-25 SPARE PARTS SHORTFALL.

$40 MILLION IS FOR FOLLOW-ON EXPENSES NECESSARY TO OPERATE AND MAINTAIN NEW CAPITAL ASSETS SUCH AS: THE E-2C HAWKEYE SURVEILLANCE AIRCRAFT TO BE TRANSFERRED FROM THE CUSTOMS SERVICE, HH-65 HELICOPTERS, AEROSTATS, POST-FRAM 378' HIGH ENDURANCE CUTTERS, AND ISLAND CLASS PATROL BOATS. THESE ASSETS ARE CRITICAL FOR MEETING OUR DRUG INTERDICTION RESPONSIBILITIES, AND THEY ARE ALSO AVAILABLE TO OTHER MISSIONS AS DICTATED BY NATIONAL PRIORITIES.

OUR FY 1990 BUDGET REQUEST INCLUDES, AS PART OF OUR FUNDING BASE, THE $200 MILLION THAT WE ARE RECEIVING FROM THE DOD APPROPRIATION IN 1989 ($60 MILLION IN FUNDING AND $140 MILLION IN SERVICES-IN-KIND). THIS MONEY IS ABSOLUTELY ESSENTIAL - WE COULDN'T DO BUSINESS WITHOUT IT. I APPRECIATE THE SUPPORT OF THOSE WHO RECOGNIZED OUR NEED AND WORKED TO INCLUDE FUNDS IN THE DOD APPROPRIATION FOR THE COAST GUARD. HOWEVER, MY POSITION AND THE ADMINISTRATION'S POSITION IS THAT FUNDING FOR THE COAST GUARD BELONGS IN THE DEPARTMENT OF TRANSPORTATION APPROPRIATION BILL. WITH CONGRESSIONAL REPORT LANGUAGE LAST YEAR STATING THAT FY 1989 WOULD BE THE LAST YEAR THAT DOD WOULD PROVIDE FUNDS TO THE COAST GUARD, I AM INCREASINGLY APPREHENSIVE ABOUT THIS $200 MILLION. AS THE BUDGET COMMITTEES MAKE THEIR SECTION 302A ALLOCATIONS, AND THE APPROPRIATIONS COMMITTEES MAKE THEIR SECTION 302B ALLOCATIONS TO THEIR SUBCOMMITTEES, IT IS CRITICAL THAT THIS $200 MILLION BE ACCOUNTED FOR IN FUNCTION 400.

THERE IS NO SLACK IN OUR BUDGET. WE MUST CONTINUE TO FUND THE OPERATING COSTS FOR THE RESOURCES WE ALREADY HAVE SO THAT

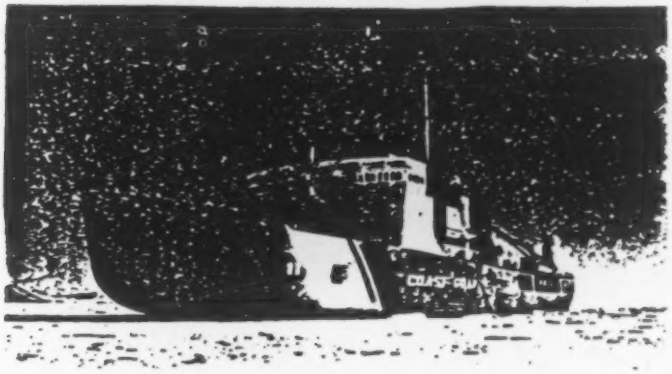
THEY CAN OPERATE TO THEIR FULL CAPABILITIES IN THEIR MANY MISSION AREAS. AND, WE ARE ASKING FOR AN INCREASE TO OUR BUDGET BASE TO PAY THE OPERATING COSTS FOR NEW FACILITIES COMING ON LINE - NEW AIRCRAFT AND CUTTERS, MODERNIZED CUTTERS, AND UPGRADED WEAPONS AND SENSOR SYSTEMS.

WE ALL RECOGNIZE THAT THE COMMITMENT TO COMBAT THE FLOW OF DRUGS INTO THIS NATION MUST CONTINUE. CONGRESS HAS MADE THIS CLEAR WITH THE ANTI-DRUG ABUSE ACT OF 1988, WHICH PROVIDED ADDITIONAL RESOURCES FOR THE COAST GUARD AND OTHER FEDERAL LAW ENFORCEMENT AGENCIES TO "HOLD THE LINE" AGAINST THE IMPORTATION OF ILLEGAL DRUGS. PRESIDENT BUSH HAS MADE CLEAR HIS COMMITMENT BY AMENDING THE COAST GUARD REQUEST TO INCREASE DRUG INTERDICTION FUNDING BY $10 MILLION. OUR DRUG LAW ENFORCEMENT EFFORT IS NECESSARY UNTIL THE LONG-TERM SOLUTION OF DEMAND REDUCTION CAN TAKE HOLD. WE NEED YOUR SUPPORT TO CONTINUE OUR ROLE IN THE DRUG WAR. IT IS NOT AN EASY FIGHT, BUT WE MUST STAY THE COURSE. THE AMERICAN PEOPLE EXPECT AND DESERVE NO LESS.

ACQUISITION, CONSTRUCTION AND IMPROVEMENTS (AC&I)

OVER ONE-THIRD OF OUR AC&I REQUEST, $244 MILLION, IS FOR A REPLACEMENT POLAR ICEBREAKER ... A NATIONAL ASSET. STUDIES ON POLAR OPERATIONS HAVE REPEATEDLY SUBSTANTIATED AND CONFIRMED THE NEED FOR ADDITIONAL POLAR ICEBREAKING CAPABILITY TO MEET NATIONAL SECURITY REQUIREMENTS, PROTECT OUR NATION'S ECONOMIC COMPETITIVE INTERESTS AND MEET THE UNITED STATES' INTERNATIONAL TREATY REQUIREMENTS IN THE ARCTIC AND ANTARCTIC. SINCE 1987, OUR ICEBREAKER FLEET HAS DWINDLED FROM FIVE TO ONLY TWO. WE ARE NOW

AT THE POINT WHERE WE ARE UNABLE TO RESPOND TO ALL OF THE NATION'S MANY NEEDS IN THE POLAR REGIONS.



ASIDE FROM THE ICEBREAKER, THE FY 1990 AC&I BUDGET CONTINUES TO BE DOMINATED BY MULTI-YEAR PROJECTS, SUCH AS THE FLEET RENOVATION AND MODERNIZATION (FRAM) PROGRAM FOR OUR 378-FOOT CUTTERS AND THE PURCHASE OF OUR LAST EIGHT, OF A BUY OF 32, MEDIUM RANGE RECOVERY (MRR) HELICOPTERS. WE ALSO HAVE A SMALL AMOUNT OF RELATIVELY FIXED EXPENSES FOR PROJECT SUPPORT, AND A FEW MULTI-YEAR PROGRAMS WHICH REQUIRE ANNUAL FUNDING, SUCH AS MINOR AC&I, WATERWAYS, AND FAMILY HOUSING.

LESS THAN 14 PERCENT OF THE AC&I BUDGET (EXCEPT FOR THE POLAR ICEBREAKER) IS FOR NEW PROJECTS, AND MOST OF THIS IS DEVOTED TO REPLACEMENT ASSETS - SHORE FACILITIES, SMALL BOATS, AND SPARE PARTS FOR EXISTING AIRCRAFT. LESS THAN 3% OF THIS AC&I BUDGET IS DEVOTED TO TRULY NEW INITIATIVES. THIS MODEST AMOUNT, ABOUT $20 MILLION, WILL PROVIDE FOR SAFETY AND MISSION ENHANCEMENTS (SUCH AS THE LOCAL USER TERMINALS FOR THE SEARCH AND RESCUE SATELLITE NETWORK AND THE TALON HELICOPTER TIEDOWN SYSTEM

FOR THE SAFETY OF OUR SHIPBOARD PILOTS) AND MISSION ENHANCEMENTS (SUCH AS THE ACTIVE GATED TELEVISION AND PORTABLE INTELLIGENCE SYSTEM).

ASIDE FROM THE ICEBREAKER, THIS BUDGET FOCUSES ON HIGH PRIORITY REQUIREMENTS FOR RENEWING OUR PRESENT CAPITAL PLANT. SEVERAL PROJECTS HAVE BEEN PHASED TO DEFER, TO THE OUTYEARS, ALL BUT THE IMMEDIATELY ESSENTIAL COSTS. THIS BUDGET ALSO BEGINS AN ATTEMPT TO TURN THE CORNER ON THE REPLACEMENT OF OUR SOMEWHAT NEGLECTED SHORE PLANT. THIS IS A SERIOUS CONCERN, SINCE OUR BACKLOG OF POSTPONED PROJECTS IS GROWING AT AN INCREASING RATE.

RESERVE TRAINING

THE COAST GUARD RESERVE PROVIDES TRAINED UNITS AND QUALIFIED PERSONNEL FOR ACTIVE DUTY IN THE COAST GUARD IN TIME OF WAR OR NATIONAL EMERGENCY, AND AT SUCH OTHER TIMES AS NATIONAL SECURITY REQUIRES. IN THE COURSE OF TRAINING TO MEET THESE RESPONSIBILITIES, RESERVISTS AUGMENT THE ACTIVE DUTY COAST GUARD PERFORMING PEACETIME MISSIONS DURING NORMAL AND PEAK PERIODS OF OPERATIONS, AS WELL AS IN TIMES OF DOMESTIC EMERGENCIES.

WE HAVE EMBARKED ON A 10 YEAR PLAN TO BRING OUR SELECTED RESERVE STRENGTH UP TO A LEVEL WHICH MEETS 95% OF OUR HIGHEST PRIORITY MOBILIZATION REQUIREMENTS. OUR BUDGET REQUEST ADDS 850 RESERVISTS TO RAISE OUR SELECTED RESERVE FORCE TO A FUNDED STRENGTH OF 12,950 BY THE END OF FY 1990. THE ADDITIONAL PERSONNEL WILL IMPROVE OUR ABILITY TO PROVIDE SECURITY FOR MILITARY-ESSENTIAL FACILITIES IN THE NATION'S PORTS, AND TO EXTEND PROTECTION TO THE WATERWAYS LEADING FROM THOSE FACILITIES

TO THE OPEN SEAS. FAILURE TO ACCOMPLISH THESE MISSIONS WOULD SEVERELY WEAKEN OUR NATION'S ABILITY TO SAFELY AND EFFICIENTLY OUTLOAD SUPPLIES AND PERSONNEL FROM U.S. DOMESTIC PORTS. THE

INCREASE IN FY 1990 FOLLOWS OUR 10-YEAR SELECTED RESERVE GROWTH PLAN AND REPRESENTS A 7 PERCENT GROWTH RATE. THE REQUESTED INCREASE WILL ENABLE THE COAST GUARD SELECTED RESERVE TO MEET 65 PERCENT OF ITS MINIMUM MOBILIZATION REQUIREMENTS.

SUMMARY

WE ARE A READY, MULTI-MISSION FORCE WITH A TRADITION OF RESPONDING TO CHANGING NATIONAL MARITIME PRIORITIES OVER THE PAST 200 YEARS. TO MEET TODAY'S RESPONSIBILITIES TO THE NATION, WE MUST HAVE THE NECESSARY FUNDING, PEOPLE, TRAINING, AND EQUIPMENT TO GET THE MOST FROM THE RESOURCES YOU HAVE RECENTLY PROVIDED FOR THE JOB AT HAND. OUR FY 1990 BUDGET REQUEST IS AUSTERE BUT NECESSARY TO DO THE JOB TODAY AND TO DEVELOP THE BASIC MARITIME EXPERTISE THE NATION WILL NEED IN THE FUTURE.

I ASK FOR YOUR SUPPORT FOR FULLY FUNDING THE COAST GUARD BUDGET REQUEST. THE COAST GUARD IS A WISE INVESTMENT.

I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THE SUBCOMMITTEE MIGHT HAVE.

SLIDE #1

UNITED STATES COAST GUARD
AN AVERAGE DAY

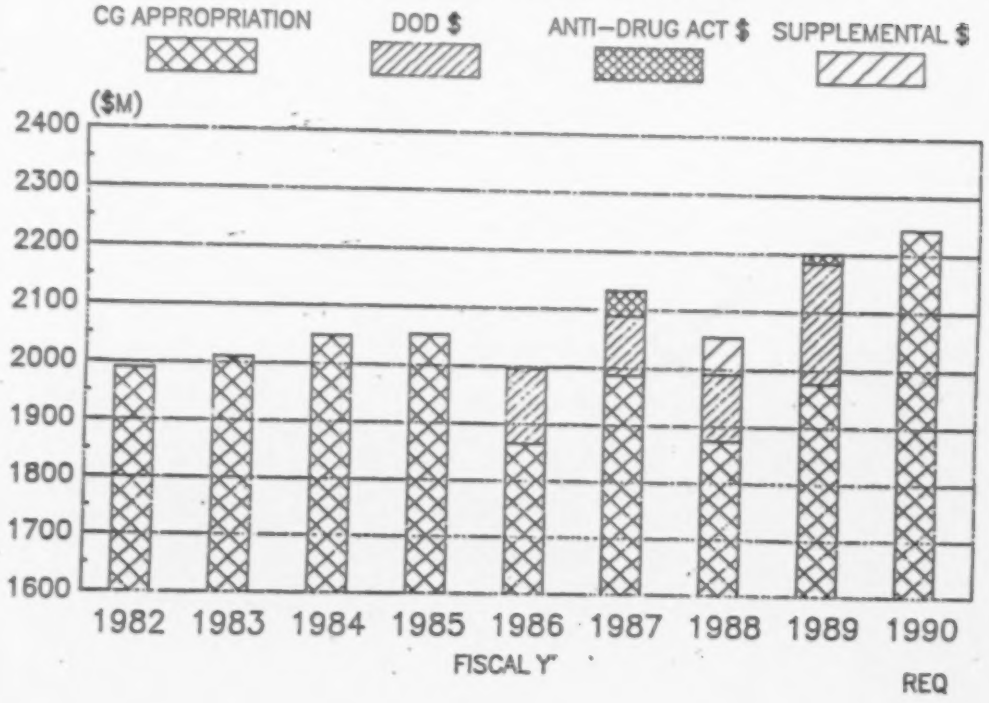
* SAVED 16 LIVES
* ASSISTED 361 PEOPLE
* SAVED $ 2,500,000 IN PROPERTY
* COMPLETED 154 SEARCH AND RESCUE CASES
* RESPONDED TO 23 OIL OR HAZARDOUS CHEMICAL SPILLS
* BOARDED 43 LARGE VESSELS FOR PORT SAFETY CHECKS
* INSPECTED 64 COMMERCIAL VESSELS
* INVESTIGATED 17 MARINE ACCIDENTS
* SEIZED 3500 LBS OF MARIJUANA
* SEIZED 35 LBS OF COCAINE
* STREET VALUE OF DRUGS: $ 6,000,000
* SERVICED 150 AIDS TO NAVIGATION
* COST: ONLY $8.5 MILLION

SLIDE #2

U.S. COAST GUARD – FY 1990 BUDGET

OPERATING EXPENSE APPROPRIATION

1990 CONSTANT DOLLARS

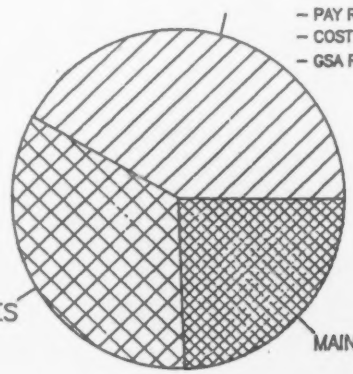


SLIDE #3

U.S. COAST GUARD – FY 1990 BUDGET

OPERATING EXPENSES APPROPRIATION

INCREMENTAL REQUEST



BUILT–IN–CHANGES (GREEN)
$50M – 38%
- PAY RAISE ANNUALIZATION
- COST OF LIVING INCREASE
- GSA RENT INCREASE

(Red) OPERATE NEW FACILITIES
$40M – 31%
- E–2C A/C FUNDING
- HH–65 HELO FOLLOW–ON
- AEROSTAT OPERATION
- 378' WHEC POST–FRAM FOLLOW–ON
- WPB 110' FOLLOW–ON

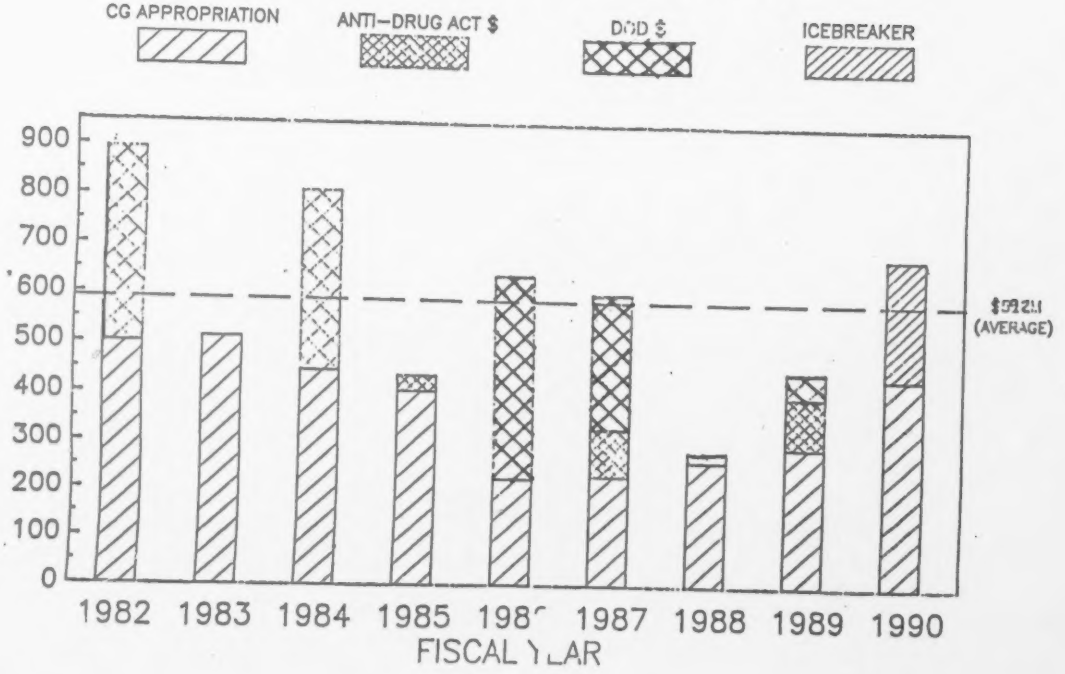
MAINTENANCE/UPGRADE OF ASSETS (Yellow)
$40M – 31%
- INTELLIGENCE OPERATIONS
- ENVIRONMENTAL COMPLIANCE
- SHORE FACILITY REHABILITATION
- HU–25 SPARE PARTS SHORTFALL
- DAY CARE CENTER MANAGEMENT
- INC DRUG INTERDICTION OPERATIONS

TOTAL – $130M

SLIDE #4

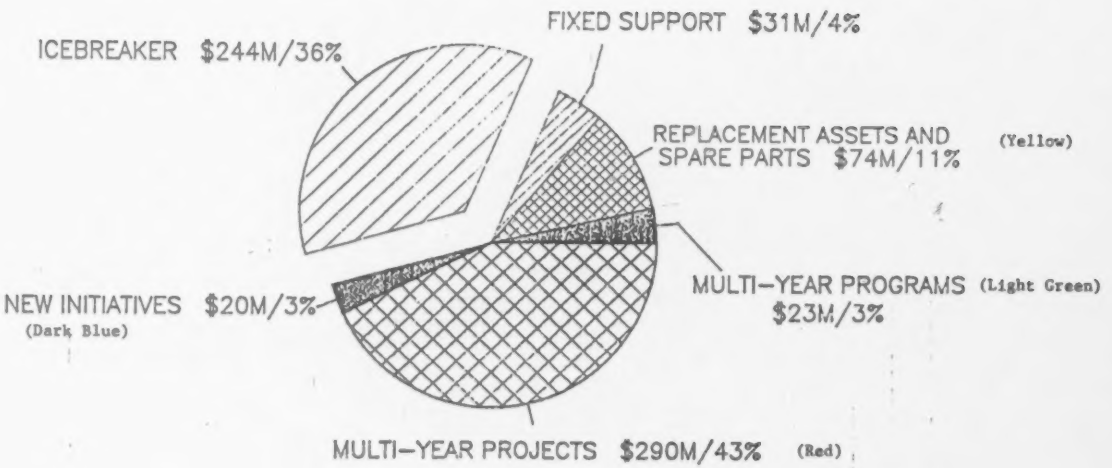
U.S. COAST GUARD – FY 1990 BUDGET

AC&I APPROPRIATION
(FY 1990 CONSTANT DOLLARS)



SLIDE #5

U.S. COAST GUARD -- FY 1990 BUDGET
AC&I APPROPRIATION


FIXED SUPPORT $31M/4%
ICEBREAKER $244M/36%
REPLACEMENT ASSETS AND SPARE PARTS $74M/11% (Yellow)
MULTI-YEAR PROGRAMS (Light Green) $23M/3%
NEW INITIATIVES $20M/3% (Dark Blue)
MULTI-YEAR PROJECTS $290M/43% (Red)

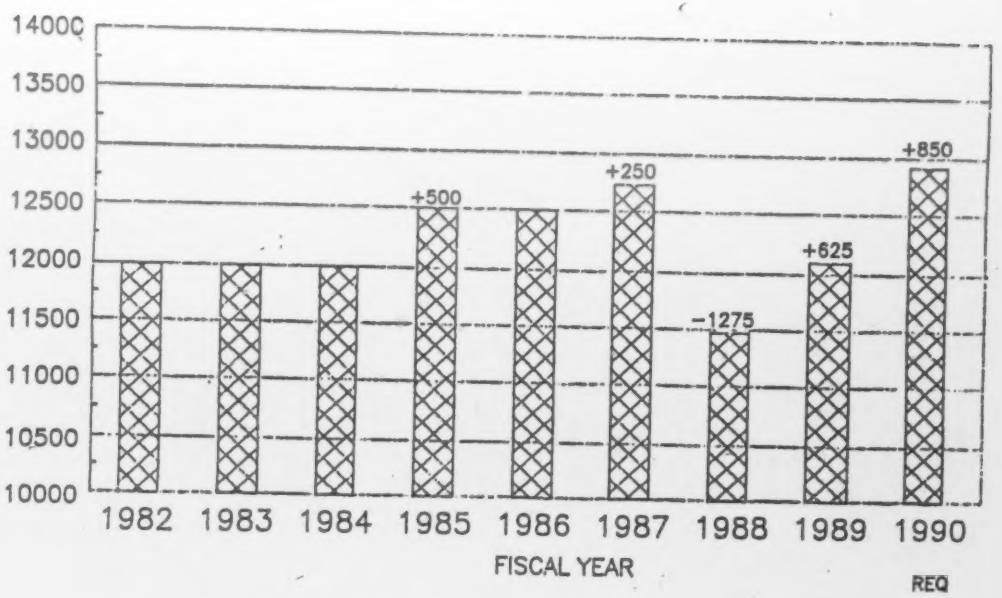
TOTAL REQUEST -- $682M

SLIDE #6

U.S. COAST GUARD – FY 1990 BUDGET

RESERVE TRAINING APPROPRIATION

SELECTED RESERVE STRENGTH



Zero Tolerance

Facts from the Coast Guard

U.S. Department of Transportation
United States Coast Guard

Facts about Zero Tolerance from the Coast Guard

BACKGROUND

During the early '70s, this country began to turn a blind eye to what was then called "recreational" or "casual" drug use. Americans were experimenting with illegal drugs in record numbers, and many thought such personal use would have no serious consequences for the user or the general public. It has taken many people almost two decades to realize that this mindset was dead wrong. Drug abuse kills thousands of Americans each year. It tears families apart. It has brought violent crime to small-town America and made what were already dangerous inner-city neighborhoods, drug deathtraps. It has turned children not yet in their teens into pushers and junkies.

The illegal drug trade costs this country an estimated $64 billion every year. Studies indicate that the average drug abuser functions at 67 percent of normal work potential. Today, there are 5-6 million regular cocaine users, more that half a million heroin users and at least 18 million pot smokers. We must face the sad truth. The millions of Americans who use drugs - many of whom have a glamorous view of drugs - have made the United States the most lucrative market for the world's drug suppliers.

THE ADMINISTRATION'S POLICY

We recognize that the drug problem must be attacked on all fronts simultaneously. We already have a strong program to interdict contraband enroute to the United States and prohibit entry at our borders, but we need to work on reducing demand here at home. Demand reduction includes educational programs - "Just Say No" - and it includes law enforcement at the user level. ***Zero Tolerance is law enforcement at the user level!***

Zero Tolerance will not change the Coast Guard's primary emphasis on interdiction of smugglers, nor will it require any change in the normal deployment of our ships and aircraft. It means that the Coast Guard, in the course of its regular patrols, boardings and inspections, will now seize and arrest when "personal use" quantities of illegal drugs are encountered. Consequently, when we make it more costly and more painful for drug users, we gradually make this country less profitable and less attractive for drug smugglers.

This policy of strict enforcement of existing law is to reduce the demand for illegal drugs and improve safety on the water by taking action against illegal drug possession aboard boats.

Under the Zero Tolerance policy, discovery of any amount of illegal drugs on a U.S. vessel, or any vessel within the United States, may lead to the seizure of the vessel and the arrest, where appropriate, of those in possession on board. The Coast Guard will strictly enforce the law during the normal course of its duties. Boardings and inspections will continue to be conducted, as in the past, as part of these duties.

OUR PROCEDURES

The policy is intended to result in prompt action - to bring into port vessels found to have illegal drugs on board, while making maximum use of limited Coast Guard resources. When a vessel is seized:

- The Coast Guard may escort the vessel to port, where it will be turned over to the United States Customs Service.
- Upon receiving a seized vessel, Customs initiates administrative procedures to determine if the owner should be fined and the vessel released, or if additional action should be taken.
- Customs will issue a notice to the owner, lien holder or any other interested party, telling them if the vessel is subject to forfeiture, if there are any penalties, and listing the rights of the parties and actions they may take to contest a proposed forfeiture. Any owner or party in interest may obtain release of a seized vessel upon payment of the full amount of the value of the vessel in cash or in an irrevocable letter of credit.
- An owner or party in interest may contest an administrative forfeiture, and by posting bond, may remove the forfeiture action to federal court.
- A boat owner may file an administrative petition with the district director of U.S. Customs to present evidence that he or she had no knowledge of illegal drug possession on the vessel and that precautions were taken to prevent drugs from being brought aboard or used on board. These mitigating factors will be taken into account, but they are not an absolute defense against forfeiture.
- Seizure and forfeiture are civil actions taken against the vessel and should not be confused with criminal charges made against an individual. It is possible that a boat may be seized and forfeiture proceeding undertaken, while those aboard are not arrested or charged.

- If accompanying the vessel to port would jeopardize other Coast Guard missions, the Coast Guard may choose to direct the seized vessel to proceed to port without escort and report to Coast Guard or Customs authorities, who would be notified of the vessel's expected arrival.
- Those vessels available to the public for the transport of passengers or freight are referred to as common carriers. The law protects this class of vessel from forfeiture due to the conduct of a passenger or shipper unless there is evidence that the master/operator either knew of the violation or was grossly negligent in preventing the violation.

UNITED STATES LAW

Federal laws providing for the seizure and forfeiture of vessels carrying illegal drugs, even in trace amounts, are 19 U.S.C. 1595A, 21 U.S.C. 881 and 49 U.S.C. 782. Arrests of individuals are made under 21 U.S.C. 844 and 21 U.S.C. 952, 21 U.S.C. 953.

YOUR PRECAUTIONS

Boat owners have the responsibility to ensure that illegal drugs are not brought aboard their vessels. During the process of a forfeiture proceeding, vessel owners have the opportunity to present information to indicate that they are both innocent and non-negligent relative to the illicit transportation of a controlled substance by the vessel. Owners should therefore consider those actions reasonably available to reduce the risks of the illegal presence of a controlled substance on board. There are a number of actions they can take in that regard. The following suggestions are provided for bare boat charter operators, fishing boat owner/operators, recreational boat owner/operators, and those engaged in coastal trade:

- Post a zero tolerance notice in a visible, public area on board the vessel.
- Ensure that all advertising contains a zero tolerance statement.
- Make zero tolerance a condition of all contracts for boat leases, rentals and charters.
- Have each salaried crew member sign a statement that he or she will not introduce or use illegal drugs on board.
- Provide drug education for the crew.
- Establish a written company policy in support of zero tolerance.
- Secure those compartments on board the vessel which are restricted to public access.
- Inform friends and others on board your boat that any illegal drug use will not be tolerated.
- Provide cooperation and assistance to Coast Guard and Customs officers as they carry out their boarding duties.

Boat owners and operators should look to their specific situations and evaluate the legitimate and effective procedures that are available to reduce the risk of illegal possession of a controlled substance on board.
Owner/operators should take such precautions as are warranted. These measures and the circumstances of owner/operator knowledge and non-negligence will be considered in the decisional process relative to seizure and during any subsequent forfeiture proceeding.

Produced by the Coast Guard Public Area Public Affairs Office

B 503

NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS

Please reply to:

Statement of

George W. Stewart, Jr.
Director, Government Affairs

NATIONAL ASSOCIATION OF
STATE BOATING LAW ADMINISTRATORS

Before the

COASST GUARD AND NAVIGATION SUBCOMMITTEE

of the

U.S. HOUSE OF REPRESENTATIVES

Re: Boating Safety Trust Fund
For FY 90

Secretariat: The Council of State Governments, Iron Works Pike, P.O. Box 11910, Lexington, KY 40578, (606) 252-2291

Mr. Chairman and Members of the SubCommittee:

I am George Stewart, Director, Government Affairs, National Association of State Boating Law Administrators. Our association is pleased to provide input into your hearing regarding the State Boating Safety Trust Fund Authorization/ Appropriation.

Mr. Chairman, when the Sportfishing and Boating Enhancement Act of 1984 was passed, creating the Aquatic Resources Trust Fund, our association recognized this as a milestone legislation in directing support to "our boating public" with the tax this group pays on marine fuel used in motorboats. In previous testimony, we applauded the Congress on their farsighted approach to the needs of this user group, without placing a burden on the general taxpayer.

Our association notes with pleasure that the Aquatic Resources Trust Fund, which has come to be widely known as the Wallop-Breaux Fund was reauthorized in the Second Session of the 100th Congress for 5 years, with $60 million authorized for the first two years and $70 million the next three years. The funds are to be equally divided between the states and the Coast guard to defray their costs for services to the recreational boater. It is further noteworthy that the boating safety funds are a "user fee" paid by boaters to defray the cost of government services that uniquely benefit the recreational boating public. These funds are for boaters, financed by boaters, and demonstrates that the user fee concept is working well. We feel strongly that

these funds should be returned to the states as provided for in the law. To do otherwise, in our opinion, would not be in keeping with the "user fee concept".

The federal agency administering these "user fee" trust funds to the states is the U.S. Coast Guard within the Department of Transportation. We are obviously perplexed that the FY'90 request is only for $45 million of the authorized $60 million and this $45 million be appropriated $30 million to the Coast Guard and $15 million to the states. This is especially disheartening since the states, the industry and the boating organizations championed the program in the first place so the Coast Guard would receive part of the funding.

The supporters of the Wallop-Breaux funding visualized that the federal funds derived from this user fee paid by boaters, would go far in reducing federal involvement and shifting to the states the lead role in boating safety law enforcement and boating safety education. It is noteworthy that this train of thought follows the guidelines in the Coast Guards Roles and Mission Report that recommended the states assume the primary role in boating safety law enforcement while federal involvement should be only to insure functions meet minimum uniform requirements. We feel the states are meeting these high expectations and that our state program is one that the Congress can be proud of.

Our association values the close working relationship we have with the U.S.Coast Guard. We feel we compliment each other in our boating safety efforts. This is important,

we think, since the waters we operate on are generally "joint jurisdictional". Additionally we are satisfied with the manner in which the Coast Guard administers the trust fund monies to the states. Our principal difference each year is during the authorization/appropriation process, when the administration wants to reduce the states share of trust fund monies. We obviously take this as an affront, since it is widely known that the states are indeed taking the lead role in boating safety.

Initially, the federal boat safety funds were authorized $45 million with $30 million to the states and $15 million to the Coast Guard. Our association along with the many organizations that make up the American League of Anglers and Boaters strongly supported legislation to raise the boating safety authorization/appropriation to $60 million for FY'89 and '90 and $70 million for FY'91,'92 and '93 with the funds split 50-50 between the states and the Coast Guard. This would raise the Coast Guards authorization/appropriation from $15 million to $30 million for two years and then on to $35 million the next three years, the same as the states share of these user fee funds. It was our desire that this would avoid further efforts to reduce our state funds. This hasn't happened and obviously, we are in a "catch 22" situation where we are recognized as doing a superb job and at the same time see an effort being made to take away half of our funds authorized to get the job done.

Attached to my testimony is the allocations of Wallop-Breaux funding for the state recreational boating safety

program for FY 1989. You can see the adverse impact that a 50 percent reduction will have on the states.

The major problem we have, is dealing with the uncertainty over federal funding year to year. It makes it difficult to prudently budget for long term commitments to program improvements with any certainty. We therefore cannot over-emphasize that stability is needed, if the true fruits of full funding are to be realized.

Attached also is the overall expenditures for both state and federal for 1972 to 1989. We think it is noteworthy that the Coast Guard boating safety resources in the states ran $30 million a year for the years 1975 through 1980 but dropped to zero in 1981. This reduction on the part of the Coast Guard was primarily a result of their removal of the Boating Safety Detachment Teams from the nations waters. The states, I might add, readily picked up this additional responsibility. Especially noteworthy from this overall expenditure is the fact that the states matching share of funding has steadily increased from $16,480,000 in 1972 to $120,000,000 in 1989.

Allowing the states to recoup the federal marine fuel tax that boaters pay on marine fuel used in motorboats is a prime example of the boat user fees helping the user. With these funds the states have willingly assumed a major share of what is logically and statutorily a joint responsibility. As shown in the steady increase in state funding since 1972 and picking up the slack on removal of the Coast Guards

Boating Safety Detachment teams, we feel the states have shown credibility, consistency and resources to reach the boating public. The states have concentrated on establishing an administrative infrastructure, purchase equipment and promote the education and enforcement techniques to stimulate increased boating awareness, and thereby decrease fatalities. We believe that increased state effort should result in savings to the federal government rather than inordinate additional costs, which would emanate from state curtailment should funding be decreased.

In summary, we are proud of the states use and effectiveness of the federal boat safety funding and feel that our waterway patrols are highly visible on our nations waterways. We have many times received praise from the U.S.Coast Guard, Industry and the various boating organizations as well as the boating public we serve. To keep the momentum, we ask the support of this SubCommittee for $60 million authorization/ appropriation for fiscal 1990 and this be split 50-50 between the states and the U.S. Coast Guard, the same as we received in fiscal 1989.

THANK YOU

Block Allocation Under Deficit Reduction

STATE	Before G/R FY 1983	Before G/R FY 1984	Before G/R FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
ALABAMA	$[illegible]	$[illegible]	$[illegible]	$660,021.00	$803,553.00	$418,189.00	$524,331.00
ARIZONA	$156,294.00	$169,138.00	$177,636.00	$387,273.00	$334,809.00	$265,902.00	$251,451.00
ARKANSAS	$226,652.00	$220,479.00	$242,495.00	$473,600.00	$545,712.00	$382,102.00	$239,256.00
CALIFORNIA	$569,664.00	$967,760.00	$798,399.00	$1,682,130.00	$1,930,641.00	$1,271,997.00	$1,509,704.00
COLORADO	$112,747.00	$116,021.00	$124,502.00	$271,691.00	$275,974.00	$193,614.00	$259,242.00
CONNECTICUT	$206,149.00	$146,914.00	$169,501.00	$350,394.00	$336,426.00	$258,647.00	$340,759.00
DELAWARE	$131,059.00	$124,508.00	$134,822.00	$272,877.00	$291,539.00	$289,718.00	$270,741.00
DIST OF COL	$153,261.00	$148,669.00	$149,889.00	$284,249.00	$254,766.00	$191,922.00	$271,987.00
FLORIDA	$389,066.00	$606,831.00	$724,874.00	$1,439,786.00	$1,174,076.00	$993,295.00	$2,008,590.00
GEORGIA	$276,434.00	$256,144.00	$277,666.00	$607,125.00	$632,228.00	$444,650.00	$572,150.00
HAWAII	$94,946.00	$113,417.00	$144,487.00	$321,305.00	$219,926.00	$230,633.00	$309,305.00
IDAHO	$129,436.00	$129,954.00	$133,465.00	$297,785.00	$288,376.00	$193,662.00	$282,263.00
ILLINOIS	$230,747.00	$218,281.00	$238,330.00	$510,415.00	$549,944.00	$360,992.00	$481,953.00
INDIANA	$243,743.00	$195,645.00	$215,984.00	$443,260.00	$484,370.00	$326,467.00	$466,303.00
IOWA	$234,864.00	$212,783.00	$247,894.00	$484,736.00	$505,178.00	$329,246.00	$442,675.00
KANSAS	$125,626.00	$116,449.00	$129,132.00	$280,496.00	$279,276.00	$192,579.00	$273,833.00
KENTUCKY	$213,914.00	$184,785.00	$210,333.00	$474,225.00	$433,420.00	$222,768.00	$421,231.00
LOUISIANA	$389,541.00	$376,597.00	$291,607.00	$648,060.00	$691,339.00	$445,885.00	$598,647.00
MAINE	$149,658.00	$136,577.00	$154,395.00	$309,454.00	$344,683.00	$233,241.00	$329,456.00
MARYLAND	$480,591.00	$618,923.00	$726,783.00	$1,358,420.00	$1,557,756.00	$1,100,681.00	$1,618,868.00
MASSACHUSETTS	$207,715.00	$235,092.00	$244,366.00	$558,220.00	$572,737.00	$397,830.00	$505,342.00
MICHIGAN	$639,758.00	$539,336.00	$558,485.00	$1,215,350.00	$1,213,456.00	$797,229.00	$1,174,583.00
MINNESOTA	$479,663.00	$410,948.00	$518,640.00	$1,069,185.00	$1,066,761.00	$743,923.00	$1,015,226.00
MISSISSIPPI	$196,470.00	$222,383.00	$218,090.00	$425,681.00	$461,922.00	$315,322.00	$422,706.00
MISSOURI	$298,719.00	$282,367.00	$328,590.00	$698,538.00	$724,524.00	$500,625.00	$639,962.00
MONTANA	$98,633.00	$97,341.60	$109,837.00	$230,250.00	$222,950.00	$169,225.00	$223,900.00
NEBRASKA	$104,044.00	$97,566.00	$110,399.00	$83,000.00	$231,196.00	$163,895.00	$229,029.00
NEVADA	$110,792.00	$100,972.00	$113,427.00	$262,347.00	$248,005.00	$191,115.00	$255,242.00
NEW HAMPSHIRE	$100,021.00	$97,379.00	$106,787.00	$229,804.00	$236,721.00	$167,434.00	$234,977.00
NEW JERSEY	$288,743.00	$243,699.00	$335,665.00	$703,746.00	$756,421.00	$511,259.00	$775,620.00
NEW MEXICO	$102,166.00	$99,395.00	$107,582.00	$233,612.00	$230,694.00	$177,178.00	$235,172.00
NEW YORK	$703,412.00	$758,749.00	$307,467.00	$947,557.00	$1,018,957.00	$702,852.00	$922,298.00
NORTH CAROLINA	$225,697.00	$215,651.00	$225,517.00	$477,883.00	$498,536.00	$348,152.00	$534,111.00
NORTH DAKOTA	$97,884.00	$94,332.00	$102,271.00	$210,357.00	$213,982.00	$156,595.00	$216,035.00
OHIO	$390,762.00	$263,132.00	$470,360.00	$1,013,735.00	$1,088,427.00	$676,116.00	$729,537.00
OKLAHOMA	$261,897.00	$256,743.00	$270,902.00	$545,640.00	$522,990.00	$354,728.00	$552,539.00
OREGON	$211,781.00	$211,311.00	$203,765.00	$436,773.00	$442,960.00	$332,454.00	$440,222.00
PENNSYLVANIA	$318,267.00	$287,107.00	$313,334.00	$726,693.00	$680,880.00	$433,841.00	$636,228.00
RHODE ISLAND	$103,661.00	$91,593.00	$98,402.00	$211,159.00	$212,630.00	$151,793.00	$226,926.00
SOUTH CAROLINA	$188,862.00	$230,871.00	$291,438.00	$598,602.00	$617,271.00	$442,292.00	$582,482.00
SOUTH DAKOTA	$101,079.00	$92,105.00	$99,745.00	$215,002.00	$220,739.00	$152,527.00	$212,121.00
TENNESSEE	$223,545.00	$197,099.00	$209,704.00	$467,556.00	$427,976.00	$306,178.00	$469,479.00
TEXAS	$637,155.00	$584,651.00	$603,875.00	$1,305,017.00	$1,199,149.00	$832,590.00	$1,140,423.00
UTAH	$120,543.00	$122,020.00	$136,846.00	$286,850.00	$308,774.00	$220,051.00	$298,212.00
VERMONT	$96,026.00	$91,026.00	$99,128.00	$217,448.00	$217,443.00	$154,395.00	$215,569.00
VIRGINIA	$163,450.00	$173,448.00	$243,787.00	$417,510.00	$427,686.00	$310,318.00	$401,688.00
WASHINGTON	$0.00	$170,226.00	$168,162.00	$472,885.00	$352,707.00	$251,960.00	$353,359.00
WEST VIRGINIA	$111,119.00	$104,753.00	$118,799.00	$226,137.00	$230,371.00	$154,316.00	$227,080.00
WISCONSIN	$344,414.00	$335,410.00	$365,556.00	$779,879.00	$777,400.00	$553,848.00	$743,392.00
WYOMING	$88,777.00	$86,612.00	$90,611.00	$120,000.00	$202,626.00	$143,469.00	$201,059.00
AMERICAN SAMOA	$75,820.00	$73,335.00	$80,899.00	$172,869.00	$172,893.00	$120,959.00	$169,194.00
GUAM	$83,190.00	$0.00	$0.00	$0.00	$173,434.00	$121,381.00	$170,026.00
PUERTO RICO	$102,869.00	$93,500.00	$108,449.00	$148,456.00	$225,532.00	$167,273.00	$189,227.00
NORTHERN MAR	$77,814.00	$73,348.00	$80,928.00	$172,979.00	$173,358.00	$121,227.00	$214,276.00
VIRGIN ISLANDS	$87,919.00	$76,622.00	$87,580.00	$186,681.00	$175,432.00	$122,842.00	$181,697.00
STATE TOTAL	$12,215,000.00	$11,874,985.00	$13,100,000.00	$27,625,323.00	$28,500,000.00	$19,947,500.00	$27,900,000.00
COAST GUARD				$15,600,000.00	$30,600,000.00	$22,027,000.00	$29,000,000.00
Note: FY 1986 & 1988 subject to Gramm/Rudman/Hollings				$43,225,323.00	$59,100,000.00	$41,974,500.00	$57,900,000.00

STATE RECREATIONAL BOATING SAFETY PROGRAM - 46 USC 13101

Federal Boat Safety Act of 1971

FUNDED BY GENERAL REVENUES OF DEPT. OF TREASURY

	State Program Authorization	State Annual Appropriated	Percent of Authorization	Dedicated CG Boating Safety Resources in the States	Total Federal dollars from General Fund	State Matching Funds	Total Program Funds	Fed % Total Funds	State % Total Funds
1972	$7,500,000	$3,000,000	40.0%	$25,500,000	$28,500,000	$16,430,000	$49,160,000	57.6%	33.3%
1973	$7,500,000	$4,500,000	60.0%	$27,500,000	$32,000,000	$21,141,833	$56,141,833	57.0%	37.7%
1974	$7,500,000	$3,500,000	46.7%	$29,000,000	$32,500,000	$25,735,952	$62,235,952	52.2%	41.4%
1975	$7,500,000	$5,790,000	77.2%	$30,000,000	$35,790,000	$33,039,511	$70,539,511	50.7%	46.8%
1976	$7,500,000	$7,240,000	96.5%	$30,000,000	$37,240,000	$34,898,359	$72,398,359	51.4%	48.2%
1977	$7,500,000	$5,790,000	77.2%	$30,000,000	$35,790,000	$38,666,876	$75,566,876	47.4%	50.3%
1978	$7,500,000	$5,790,000	77.2%	$30,000,000	$35,790,000	$39,709,295	$77,209,295	46.4%	51.4%
1979	$7,500,000	$5,000,000	66.7%	$30,000,000	$35,000,000	$41,377,288	$78,877,286	44.4%	52.5%
	$60,000,000	$40,610,000	67.7%	$232,000,000 (1)	$272,610,000	$250,389,164	$542,389,164	50.3%	46.2%

Recreational Boating Safety and Facilities Improvement Act of 1980

FUNDED BY MOTORBOAT FUEL TAXES (USER FEES)

1984 Wallop/Breaux amendments created - Aquatic Resources Trust Fund - Boat Safety Account - 26 USC 9503(c)(4)
Deleted - Facilities Improvement Program & Authorized funding for Coast Guard

	State Program Authorization	State Annual Appropriated	Percent of Authorization	Dedicated CG Boating Safety Resources in the States	Coast Guard Operating Exp by Fuel Taxes	Fuel Taxes Funding State Progm & Coast Guard	State Matching Funds	Total Program Funds	Fed % Program Funds	State % Program Funds
1980	$10,000,000	$0	0.0%	$30,000,000	Not Authorized	$0	$52,300,000	$52,300,000	0.0%	100.0%
1981	$10,000,000	$0	0.0%	$0	Not Authorized	$0	$40,000,000	$40,000,000	0.0%	100.0%
1982	$10,000,000	$0	0.0%	$0	Not Authorized	$0	$62,449,915	$62,449,915	0.0%	100.0%
1983	$15,000,000	$12,500,000	83.3%	$0	Not Authorized	$12,500,000	$66,548,250	$79,048,250	15.8%	84.2%
1984	$30,000,000	$13,625,000	45.4%	$0	Not Authorized	$13,625,000	$71,178,038	$84,803,038	16.1%	83.9%
1985	$30,000,000	$13,750,000	45.8%	$0	$15,000,000	$28,750,000	$66,758,183	$80,508,183	17.1%	82.9%
1986	$30,000,000	$28,710,000	95.7%	$0	$14,355,000	$43,065,000	$85,511,263	$114,221,263	25.1%	74.9%
1987	$30,000,000	$30,000,000	100.0%	$0	$18,000,000	$48,000,000	$87,237,833	$117,237,833	25.6%	74.4%
1988	$30,000,000	$21,375,000	71.3%	$0	$21,630,000	$42,975,000	$115,204,100	$136,579,100	15.7%	84.3%
1989	$30,000,000	$30,000,000	100.0%	$0	$30,000,000	$60,000,000	$120,000,000	$150,000,000	20.0%	80.0%
	$225,000,000	$149,960,000	66.6%	$30,000,000	(2) $98,955,000	$248,915,000	$787,187,682	$937,147,582	16.8%	84.0%
					(3) $1,627,000	$1,627,000				
						$100,582,000	$250,542,000			

(1) CG Search & Rescue Costs Not Included
(2) Offset of CG Search and Rescue Costs
(3) Offset of CG Administration Costs (State Program)

0 FY1986 & FY 1988 - Gramm/Rudman/Hollings reductions
FY1989 - Estimated State matching
Fuel Taxes - Estimated annual receipts - $104 million
- Boat Safety Account - $60 million
- Land & Water Conservation Fund - $1 million
- Sportfish Restoration Account (RDI) - Balance of Tax receipts

Source - State Affairs Branch
U. S. Coast Guard

NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

Please reply to:

George W. Stevart, Jr.
Director, Government Affairs
National Association of
State Boating Law Administrators
96 McBry Dr.
Dover, De 19901

April 12, 1989

The Honorable W.J. Tauzin
H-2,548
3rd and D Streets,S.W.
Washington,D.C. 20515

Dear Representative Tauzin:

The purpose of this letter is to provide input for your Sub-Committee's consideration concerning the Coast Guard's fiscal 1990 authorization, since outside witnesses were not called during the hearing.

Attached for your perusal is a copy of statement from our association that we had planned to present as an outside witness. We request that this statement and the covering letter be made a part of the Sub-Committee hearing record.

Our specific area of concern is that the line item for boating safety in the Coast Guards budget recommendation is for only $45 million of the authorized $60 million and this $45 million be appropriated $30 million to the Coast Guard and $15 million to the states. Our association is obviously perplexed that an effort is being made to reduce the states share of these "user fee" funds. These funds are derived from the tax boaters pay on their marine fuel used in motor boats. It is a user fee (not general fund revenue) paid by boaters and we feel very strongly that these funds should be returned to the states and the Coast Guard as provided for in the law to help support boating safety efforts. To do otherwise, in our opinion, would not be in keeping with the "user fee concept".

We think it is especially noteworthy that the states have willingly assumed a major share of what is logically and statutorily a joint responsibility. The states share of matching funds has steadily increased from $16,800.000 in 1972 to $120,000,000 in 1989. In 1981 the states willingly picked up the slack after removal of the Coast Guards Boating Safety Detachment Teams with a direct savings of $30 million per year for the Coast Guard.

We feel the states have shown credibility, consistency and resources to reach the boating public. The states have concentrated on establishing an administrative infrastructure, purchase equipment and promote the education and enforcement techniques to stimulate increased boating awareness, and thereby decreae accidents and fatalities. We believe increased state effort should result in savings to the federal government rather than inordinate additional cost which would emanate from state curtailment should these funds be decreased.

The major problem we have is dealing with the uncertainty over federal funding year to year. It makes it difficult to prudently budget for long term committments to program improvements with any certainty. For example, if the fiscal 1990 appropriations are reduced 50 percent, the states have the choice of again biting the bullet and absorb this loss of federal trust monies with state funds or cut program services. We thing it will be the later and the obvious loser will be the "boating Public".

Our association values the close working relationship we have with the U.S.Coast Guard. We feel we compliment each other in our boating safety efforts. This is important, we think, since the waters we operate on are generally "joint jurisdictional". Additionally, we are satisified with the manner in which the Coast Guard administers the trust fund monies to the states. Our principal difference each year is during the authorization/appropriation process when the administration wants to reduce the states share of trust fund monies. We obviously take this as an affront, since it is widely known that the states are indeed taking the lead role in boating safety.

In summary, we are proud of the states use and effectiveness of the federal boat safety funding and feel that our waterway patrols are highly visible on our nations waterways. We have many times received praise from the U.S. Coast Guard, industry and the various boating organizations as well as the boating public we serve. To keep the momentum, we ask the support of your Sub-Committee for the authorized $60 million for fiscal 1990 and that this be split 50-50 between the states and the U.S. Coast Guard, the same as we received in fiscal 1989.

Sincerely,

George W. Stewart, Jr.

George W. Stewart, Jr.
Director, Government Affairs

GWS/cs

MARINE RETAILERS ASSOCIATION OF AMERICA
155 N. Michigan Ave., Suite 606 • Chicago, Illinois 60601 • (312) 938-0359 • FAX (312) 938-9035

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April 18, 1989

The Honorable Billy Tauzin, Chairman
Subcommittee on Coast Guard and
Navigation
H2-548 HOB Annex II
3rd and "D" Streets, S.W.
Washington, D.C. 20515

Dear Mr. Chairman:

I appreciate the opportunity to submit testimony for the record of the March 9, 1989 hearing your Subcommittee held on the FY 1990 Coast Guard Authorization.

MRAA strongly supports full funding of the Boat Safety Account of the Aquatic Resources Trust Fund, as well as the traditional missions of the Coast Guard, such as search and rescue and aids to navigation. We also want to express our opposition to proposals to reduce the disbursements from the Boat Safety Account and to charge user fees for Coast Guard services to recreational boaters.

We also want to thank you and the other members of your Subcommittee for your support of recreational boaters.

Again, thank you for holding the hearing record open so we would have this opportunity to express our views.

Sincerely yours,

Larry R. Innis

Statement of

LARRY R. INNIS
Washington Representative

MARINE RETAILERS ASSOCIATION OF AMERICA
155 N. Michigan Ave., Suite 606
Chicago, Illinois 60601

Before the

SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
of the
COMMITTEE ON MERCHANT MARINE AND FISHERIES

U.S. HOUSE OF REPRESENTATIVES
Washington, D.C.

Re: The Coast Guard Authorization For Fiscal Year 1990 And Issues Affecting Recreational Boating

March 9, 1989

Statement of Larry R. Innis
Washington Representative of the
Marine Retailers Association of America
before the
Subcommittee on Coast Guard and Navigation
on the
Coast Guard Authorization for Fiscal Year 1990
and Issues Affecting Recreational Boating

The Marine Retailers Association of America is the national trade organization for the recreational boat and boat equipment dealers. Our Association has about 3,000 members who generate more than six billion dollars in annual retail sales.

We appreciate the opportunity to present testimony on the Coast Guard Authorization for fiscal year 1990 and on issues that may have a dramatic affect on recreational boating and boating safety.

Our Association is also deeply appreciative of the work the members of this Subcommittee have done in the past several years to assure the Coast Guard receives adequate funds to successfully complete its many missions, but especially the traditional Coast Guard missions of Search and Rescue. Boating Safety, Aids to Navigation, and Law Enforcement.

We also congratulate you on your election to the Chairmanship and look forward to working with you.

In recent years, as you know, the Federal government has been under tremendous pressure to restrain the general growth in spending and to do so in the most effective manner possible. We understand the pressures within the Coast Guard to manage its budget and to balance the many demands on its resources while at the same time the nation is calling out for a strong stand against drugs. However, we ask that the Subcommittee continue its watchful eye on the Coast Guard budget so the safety of the nearly 15 million Americans who own boats and the 70 million Americans who enjoy water-related activities will not be compromised.

That is a very large constituency that looks to the Coast Guard to provide reasonable assurances that marine products, equipment, and boats meet certain minimum safety and reliance criteria. The Recreational Boating Safety

Program ensures that boats sold to the public meet Coast Guard regulations for safety by monitoring the activities of the recreational boat builder through factory inspections by Coast Guard personnel. We would like to see funding for this program maintained at levels sufficient enough for its continuation. In recent years, this area within the Coast Guard has been affected by reorganization and consolidation. If adequate funds are not available, we suggest that the Coast Guard and the Subcommittee investigate alternative methods of accomplishing the goals of the program, such as utilization of the Coast Guard Auxiliary.

Recreational boaters and marine dealers also look to the Coast Guard for boating safety regulations, education, and direction. The Coast Guard serves as the focal point for information on recreational boating for all government agencies, Federal and state, and national non-profit organizations. Together with the National Boating Safety Advisory Council, the Coast Guard uses Boat Safety Account funds to sponsor public awareness programs, such as the National Boating Education Seminar and the National Safe Boating Week Campaign. These programs are designed to keep boating educators current and to foster a greater awareness of boating safety issues on the part of the boating public. In addition, the National Boating Safety Course at the Coast Guard Reserve Training Center at Yorktown, Virginia is offered to train state law enforcement and education personnel.

Educational materials developed from Boat Safety Account funds are distributed through the network of Federal, state, and national organizations. Schools, civic groups, the Coast Guard Auxiliary, and local boating organizations are dependent on Boat Safety funds and the Coast Guard for assistance in planning and organizing boating safety programs.

However, the past success of these programs is again in jeopardy! We understand the Administration's budget for Fiscal Year 1990 will propose a 50 percent reduction in the disbursements from the Aquatic Resources Trust Fund which are used to assist states in funding boating safety programs from $30 million to $15 million. The Boat Safety Account of the Aquatic Resources Trust Fund (commonly called the Wallop-Breaux Trust Fund) has been a very successful and popular federal-state partnership. The benefits of the programs paid for from this account are proven by the reduction in the national boating fatality rate. The American Boating public has contributed more than $105 million a year in the recent past to the Boat Safety Account through an excise tax on purchases of gasoline used in their boats. Funds from this excise tax go directly into programs that directly benefit the people who are being taxed. What better user fee?

We strongly support full funding of the boat safety

programs and oppose any proposal to reduce either the Coast Guard or state boating safety programs.

At the same time the Department of Transportation will be asking Congress to reduce funding for boating safety programs from the Boat Safety Account, we understand DOT will ask Congress to approve a $25 per registered boat user fee. It is expected that the user fee proposal would generate $150 million in additional general revenues and the funds would not be used bor boat safety.

This just does not make sense! These two legislative proposals would serve to increase taxes to American boat owners and, at the same time, would deny them the full benefit of existing, highly successful, and directed user fees.

A similar proposal to charge recreational boat owners a user fee was defeated on the House floor in the 100th Congress. The Coast Guard Subcommittee has historically opposed unsubstantiated user fee proposals. We thank you for that support and ask that you again oppose this proposal.

Non Commissioned Officers Association of the United States of America
225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

Sergeant Major C. A. (Mack) McKinney, USMC (Ret.)
Legislative Counsel

submitted to the

Subcommittee on Coast Guard and Navigation
Committee on Merchant Marine and Fisheries
United States House of Representatives
First Session, 101st Congress

on the

United States Coast Guard Budget
FY 1990

Chartered by the United States Congress

Mr. Chairman. The Non Commissioned Officers Association of the USA (NCOA) endorses the FY 1990 budget for the United States Coast Guard. The increases in funds requested for operating expenses, acquisition, and reserve training are essential to the future of the Coast Guard and its capability to perform the many missions assigned to that Service.

The subcommittee is well aware of the struggle in past years to keep the Coast Guard operating. Its budget growth has been minimal considering the added responsibility for naval defense of coastal areas, harbors, and offshore assets, and the increasing responsibility of drug interdiction. It is a magnificent show of leadership, dedication, and loyalty that the Coast Guard has managed so well with a budget that has been totally inadequate.

If anything is to be learned from the past it is that the Coast Guard out-performs expectations. Its smallness offers exclusive opportunities to people to become someone special and to be members of a team whose dedication is unique among the armed forces. The many missions of the Coast Guard demand that its people be multi-talented. Therein lies the pure and simple fact that the spirit of the Coast Guardsmen is far greater than the sum of his or her worth appears to be with federal money-managers.

However, this Congress and the Nation's citizens cannot expect the Coast Guard to continue to maintain its effectiveness with the current strain on personnel and equipment. The lack of shore billets, for example, is causing some Coast Guardsmen to opt for civilian life.

As "super" as our Coast Guardsmen are, they can't survive on promises of a brighter future, not while their ships, planes, equipment, and maritime systems are deteriorating at a fast pace. The Coast Guard must have the full funding as requested in the President's budget. Otherwise, that Service will be forced to cut-back on its operations.

Less funds, we know, equate to less people. The Coast Guard's active duty strength has dropped by 550 people since 1982. Of a former strength figure of 38,550, a 550 people-cut results in a dramatic reduction in overall operations. This is fact even with the application of a greater workload for each active duty Coast Guardsman and a more efficient method of performing tasks.

So, it is with anticipation that NCOA looks forward to a brighter year for the Coast Guard and its active duty personnel. And for the latter, NCOA urges this subcommittee to favorably consider the requests offered by the Association to provide the items listed below, oppose those that are so noted, or where necessary encourage the Armed Services Committee to take the appropriate action.

o Increase active duty strengths by 500 so there are more shore billets to alternately assign personnel from ship-to-shore duties on a more regular basis.

o Expand child care facilities at Coast Guard shore stations and offer allowances to Coast Guardsmen stationed in areas where there are no federal facilities available within a reasonable commuting distance.

o Increase Variable Housing Allowances (VHA) so that Coast Guard personnel residing off-station in a civilian community pay out-of-pocket expenses of only 15 percent of housing costs, as originally intended in law. (Currently, members are forced to pay nearly 21.5% of cost.)

o Increase basic pay and basic housing and subsistence allowances by 3.6 percent as recommended in the President's FY 1990 budget. (Members are currently being paid some 10 percent below comparable civilian wages.)

o Offer 100 percent CHAMPUS coverage for the dependents of active duty Coast Guard personnel residing with their sponsors on assignments outside military catchment areas (40 miles from the nearest federal facility providing health care to government-sponsored families).

o Include certain active duty enlisted personnel in the statute authorizing separation pay for all others, including officers, warrant officers, and civilians.

o Reimburse personnel for all legitimate costs incurred as a result of a permanent change of station (PCS) at the same level as authorized civilian employees of the Coast Guard.

o Improve health care in federal treatment facilities made available to Coast Guard personnel, active and retired, and their eligible dependents.

o Oppose any move to implement a user-fee or co-payment plan for obtaining health care in military or federal treatment facilities available to retired Coast Guard personnel and the dependents of active duty and retired members.

o Amend the Survivor Benefit Plan (SBP) so that it is more attractive to servicemembers and provide a plan that compares to that authorized for paramilitary employees of the federal government. One recommendation is to provide an across-the-board annuity of 50% of the base amount of the member's covered retired pay regardless of the age of the surviving spouse. (Ref: 10 U.S.C. 1450).

o Amend current statutes to authorize all members participating in the RSFPP to convert to the Survivor Benefit Plan upon request and to withdraw from participation in RSFPP whenever the beneficiary or beneficiaries pre-decease the member or are no longer eligible for an annuity under the plan. (Ref: 10 U.S.C. 1436(b)).

o Deny any proposal to cancel the 1990 COLA to Coast Guard retired pay and survivor benefits and the one (1) percent reduction in subsequent COLAs for 1991 and thereafter unless social security COLAs are given identical consideration.

In the personnel-picture, NCOA does not forget the members of the Coast Guard Reserve. These men and women train to augment the active duty component in time of war, national emergency, or natural disaster. It is imperative that adequate training funds be provided this cadre so that its members, when called upon, are prepared to perform the tasks required of their active duty

counterparts.

For the reservist, NCOA seeks the subcommittee's support for an amended reserve retirement point system. The proposal, suggested by the 6th Quadrennial Review of Military Compensation, would offer the reservist a maximum of 75 points per annum rather than the current limit of 60.

Mr. Chairman. The Association appreciates the opportunity to express support for a gallant organization that it believes should be an independent agency. But realizing that such a step may not be feasible or appropriate, NCOA urges that serious attention be given to adequately funding the Coast Guard.

As a recent magazine article noted: "(I)f the nation wants its coasts protected, its environment laws enforced, its sailors saved, and its (sic) drugs interdicted" ... the Coast Guard's funding plight must be cured.

Only Congress can do that.

-end-

Feb 20, 1987 : The Tennessean

Waging unending war against the drug lords

Rep. Bob Clement

We can reduce drug smuggling

BOB CLEMENT

As a nation steeped in the ideals of freedom of movement, thought and expression, it is extraordinary that we are building a barrier around our southern Atlantic and Gulf coasts.

Yet, this is the approach being taken in the fight against the flow of drugs into our country.

On a recent tour of U.S. Customs Service and Coast Guard facilities in Florida, Puerto Rico and the U.S. Virgin Islands, I had an opportunity to see the men and machinery that comprise the barrier to the free flow of air and surface traffic to our shores.

On the whole I was very impressed with the professionalism and dedication of the men and women fighting this battle, and the sophistication of the electronic equipment, aircraft and ships being used.

Recent statistics indicate that the fight along the Florida and Gulf Coast has been relatively successful. Interdiction efforts in 1986 netted 14,617 pounds of cocaine with an estimated street value of $1.6 billion. Law enforcement operations resulted in seizure of 98 boats, 207 arrests and 449,000 pounds of marijuana.

The success of intercept activities on the open sea has forced smugglers to use aircraft as the preferred means of bringing drugs into the U.S. Using a wide range of boats, surveillance and intercept aircraft and other equipment, the Coast Guard, Department of Defense and Customs Service have effectively created a sea barrier around Florida and the Florida Keys that is shrinking traffic.

Checks have been put in place in the transit zones between Cuba and the Yucatan Peninsula of Mexico, Cuba and Haiti, the Dominican Republic and Puerto Rico, and Florida and the Bahamas.

Ironically, and the most disturbing conclusion of all from my visit, Puerto Rico, the U.S. Virgin Islands, and the island nations of the Greater and Lesser Antilles (the Eastern Caribbean) are relatively unprotected from direct air and sea shipments of drugs from South and Central America.

Law enforcement resources are few, and by comparison with the resources protecting the mainland, it appears that officials have allocated resources as if the protection of the continental U.S. was paramount and these Caribbean islands an afterthought.

Yet, this area is strategic, especially since Puerto Rico is a port of entry into the U.S. Once in Puerto Rico, goods shipped to the continental U.S. are never again inspected by the Customs Service. And evidence indicates drug smugglers increasingly are using boats and air drops along the island chain from Puerto Rico to Trinidad and Tobago to penetrate U.S. law enforcement barriers set up along the mainland.

For example, there is no Coast Guard presence in St. Croix, where the largest oil refinery in the Western Hemisphere is located, nor along the south coast of Puerto Rico. But in these areas commercial maritime traffic has doubled and the number of private recreational boats has increased dramatically.

The lack of Coast Guard stations in this area has meant a loss of important law enforcement, surveillance and community liaison resources. There is evidence that some South American drug cartels are establishing organizations in these islands, especially in Puerto Rico and the U.S. Virgin Islands, to assist with the smuggling of drugs.

Occasional turf fights between federal agencies have undermined efforts to build better relations with some of the island nations that want and need U.S. assistance to combat illegal drugs. Such squabbling is ludicrous and poses a serious threat to our long-term relations with these nations. With a little inter-agency planning, the fights can be avoided.

The lack of formal diplomatic agreements between the U.S. and some of these islands, many of which are still under control of the British, French and Dutch, also needs to be addressed soon.

Drug interdiction is only one of the Coast Guard's many missions. The enforcement of our nation's other maritime, fishing and pollution laws is also a responsibility of the Coast Guard and, in this part of the Caribbean, it is less than adequately addressed.

The clear bottom line from my tour is that there are fewer than half the Coast Guard personnel necessary to meet current law enforcement and marine safety obligations.

I also believe our government's attitude toward Puerto Rico, the U.S. Virgin Islands and the other island nations of the Eastern Caribbean must change and change quickly. We cannot ignore these strategic locations and we cannot pretend that the coastal defense forces surrounding Florida and the Gulf Coast are going to stop the drug flow to our shores.

The poverty in this region, the long tradition of smuggling, lack of local authority and control over local issues, and the suspiciousness of outsiders combine to make our law enforcement efforts in the Caribbean a challenging one. But with a little commonsense and cooperation and an improvement in the allocation of personnel and equipment Congress approved last year, we can help reduce drug smuggling even more.

The men and women already fighting the drug war deserve our best efforts — especially given the ease with which the smugglers, with all their money and resources, can discover weaknesses in our defenses. ■

(Clement is U.S. Representative from Tennessee's 5th Congressional District. He is a member of the Coast Guard and navigation subcommittee of the House Merchant Marine and Fisheries Committee.)

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